AGENDA
JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY, PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF PERRIS
Tuesday, July 31, 2018
6:30 P.M.
City Council Chambers
(cornet of San Jacinto and Perris Boulevard)
101 North “D” Street
Perris, California

ROLL CALL:
Rogers, Burke, Corona, Rabb, Vargas

CLOSED SESSION: 4:30 P.M.

A. Public Employee Performance Evaluation - Government Code Section 54957;
   1. City Manager

1. CALL TO ORDER: 6:30 P.M.

2. ROLL CALL:
Rogers, Burke, Corona, Rabb, Vargas

3. INVOCATION:
Pastor James Baylark
Good Hope Missionary Baptist Church
22876 Mountain Avenue
Perris, CA 92570
4. **PLEDGE OF ALLEGIANCE:**

Councilwoman Rogers will lead the Pledge of Allegiance.

5. **REPORT ON CLOSED SESSION ITEMS:**

6. **PRESENTATIONS/ANNOUNCEMENTS:**

   At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community and it may accept awards on behalf of the City.

   A. Recognition of City Fellows for Fiscal Year 2017-2018, presented by Isabel Carlos, Director of Administrative Services.

   B. City of Perris Employee of the Quarter Recognition for Second Quarter of 2018.

   C. Presentation by Jaqueline Reliford, former YAC President, reciting her poem: "Colored Colors."

7. **APPROVAL OF MINUTES:**

   A. Approve the Minutes of the Regular Joint Meeting held on June 12, 2018; the Minutes of the Special Joint Worksession held on June 14, 2018 and the Minutes of the Special Joint Meeting held on June 26, 2018 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

8. **CONSENT CALENDAR:**

   Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. Public comment is limited to three (3) minutes.

   A. Authorize the City Manager to sign the Letter Agreement between the City of Perris and Eastern Municipal Water District for funding participation of the Perris Green City Farm Expansion Phase II.

   B. Adopt the Second Reading of Ordinance Number (next in order) amending Chapter 3.36 Home Financing Program.

   The Second Reading of Proposed Ordinance Number (next in order) is entitled:

   **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING SECTION 3.36.010 OF THE**
PERRIS MUNICIPAL CODE REGARDING A HOME FINANCING PROGRAM

C. Adopt the Second Reading of Ordinance Number (next in order) repealing Chapter 2.03, Section 2.08.030 and Chapter 2.12 of the Perris Municipal Code, City Manager, City Officer and City Staff Bonds.

The Second Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, REPEALING SECTION 2.08.030 OF CHAPTER 2.08 AND CHAPTER 2.12 OF THE CITY OF PERRIS MUNICIPAL CODE REGARDING BONDS OF THE CITY MANAGER, CITY OFFICERS AND CITY STAFF

D. Adopt the Second Reading of Ordinance Number (next in order) regarding Ordinance Amendment 18-05113, to amend Zoning Code Section 19.75.140, Temporary Signs of the Perris Municipal Code Sign Regulations to extend the permitted display of "Grand Opening" signs to 60 days, and to clarify permit requirements and the duration of display for other temporary signs.

The Second Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL APPROVE ORDINANCE AMENDMENT 18-05113 TO AMEND CHAPTER 19.75.140, TEMPORARY SIGNS, TO EXTEND THE DISPLAY TIME FOR GRAND OPENING BANNERS, AND TO CLARIFY OTHER TEMPORARY SIGN REGULATIONS, AND FIND THE PROJECT EXEMPT FROM CEQA PURSUANT TO SECTION 15311(A), ACCESSORY STRUCTURES, AND MAKE FINDINGS IN SUPPORT THEREOF

E. Approve the Cooperative Agreement with Riverside County Flood Control for the Perris Valley Channel, Stage 3.

F. Adopt Resolution Number (next in order) to support community based non-profit outreach efforts to complete the 2020 Census.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT THE CITY OF PERRIS INCLUDES IN ITS 2018-2019 STATE LEGISLATIVE PROGRAM SUPPORT FOR LEGISLATION OR
G. Adopt Resolution Number (next in order) establishing the Article XIIIIB Appropriation (Gann) Limit for Fiscal Year 2018-2019.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-2019 PURSUANT TO ARTICLE XIIIIB OF THE CALIFORNIA CONSTITUTION

H. Receive and File the Quarterly Investment Report for the Quarter Ended June 30, 2018.

I. Approve the RBBD Improvement Credit/Reimbursement Agreement with Duke Realty Limited Partnership for improvements required for DPR 16-00008, located south of Markham Street and east of Indian Avenue.

J. Approve the Space Use Agreement with Mt. San Jacinto Community College District (MSJC) to offer MSJC courses in the City of Perris Senior Center located at 100 North D Street.

K. Approve Contract Services Agreement with the Southern California Fairgrounds to host Perris Fair Day on opening Day of the 2018 Southern California Fair, October 6, 2018.

L. Approve Contract Services Agreement with Pacific Graphics for professional printing and mailing services of the On Track in Perris Newsletter.

M. Adopt Resolution Number (next in order) approving the CERBT and PARS Agreements for Prefunding OPEB and Pension Liabilities in the future.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING THE AGREEMENT AND ELECTION TO PREFUND OTHER POST-EMPLOYMENT BENEFITS (OPEB) WITH THE CALIFORNIA EMPLOYEES' RETIREMENT BENEFIT TRUST FUND (CERBT) ADMINISTERED THROUGH THE
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CalPERS) AND APPROVE THE DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

N. Adopt Resolution Number (next in order) authorizing the submittal of an application for HOME Investment Partnership Program funding through the California Department of Housing and Community Development.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING THE APPLICATION FOR FUNDS FOR THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

O. Approve Reimbursement Agreement with RB/MRE Optimus LLC for improvements required for Tentative Parcel Map Nos. 36512 and 36582, located generally at the intersection of Ramona Expressway, Patterson Avenue and Webster Avenue.

P. Approval to award Contract to IE General Engineering and reject all other bids regarding the Asphalt Repair at Concrete Pavement Transitions Project.

Q. Approval to award Contract to Greer's Contracting and Concrete, Inc. and reject all other bids and allocate $50,000 from Measure "A" Funds for Contingency and Construction Costs regarding the CDBG Citywide Sidewalk and Pedestrian Ramps Installation Project.

R. Adopt Resolution Number (next in order) authorizing the submittal of an application for the Environmental Enhancement and Mitigation (EEM) Program funding through the California Natural Resources Agency for the Ramona Expressway Median Mitigation Project.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE ENVIRONMENTAL ENHANCEMENT AND MITIGATION (EEM) PROGRAM

S. Approve a two year Contract Services Agreement with JLC Engineering & Consulting, Inc. for the Nuevo Road Bridge Replacement Project (CIP #S076).
T. Award the Contract to Ace Electric, Inc. regarding the Linear Park Lighting Project (Specification #CIP P038).

U. Approve Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions for property on Mountain Avenue, APN #330-070-009.

V. Adopt Resolution Number (next in order) to approve Memorandum of Understanding with Perris Enterprises LLC, the develop of part of the property within CFD No. 2006-3 (Alder) related to prepayment of special taxes.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, FOR ITSELF AND AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS APPROVING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH PERRIS ENTERPRISES, LLC RELATED TO THE PREPAYMENT AND LEVY OF TAXES

W. Approve the Perris Station Apartments Lease Assignment Agreement between the City of Perris and the Perris Community Economic Development Corporation (revised).

X. Approve Contract Agreement increase to existing Animal Sheltering Services with the County of Riverside.

Y. Approval to support California League of Cities in Opposing AB1405 (Mullin), which authorizes the Department of Transportation to install up to 25 new digital freeway signs along state highways.

Z. Approve the City of Perris Monthly Check Register for May and June 2018.

9. PUBLIC HEARINGS:

The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker’s podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. Public comment is limited to three (3) minutes.

A. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of Tracts 36988, 36989 and 37262 to the City's
Maintenance Districts. Tracts 36988, 36989 and 37262 are within the Green Valley Specific Plan and consist of 512 dwelling units. These tracts are located between Goetz Road on the west, Murrieta Road on the east, Green Valley Parkway on the north and Ethanac Road on the south. (Ownership of: Green Valley Recovery Acquisition, LLC; KB Home Coastal, LLC and Eastern Municipal Water District.

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF TRACTS 36988, 36989 AND 37262 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF TRACTS 36988, 36989 AND 37262 TO BENEFIT ZONE 127, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF TRACTS 36988, 36989 AND 37262 TO BENEFIT ZONES 97, 98 AND 99, CITY OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

Introduced by: Habib Motlagh, City Engineer

PUBLIC COMMENT:

B. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of Parcel Map 37187 to the City's Maintenance Districts. Parcel Map 37187 is a 30.75 acre industrial project located: Indian Avenue is located along the project's west boundary, Markham Street is located along the project's north boundary, Barrett Avenue is located along the project's east boundary and Perry Street is located along the project's south boundary. (Ownership of: Duke Realty Limited Partnership).
The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 37187 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 37187 TO BENEFIT ZONE 134, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 37187 TO BENEFIT ZONE 103, CIT OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

Introduced by: Habib Motlagh, City Engineer

PUBLIC COMMENT:

C. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of DPR 06-0059 to the City's Maintenance Districts. DPR 06-0059 is a 9.09 acre industrial project located: Harley Knox Boulevard is located along the project's north boundary, Nance Street is located along the project's south boundary and Indian Avenue is located approximately 520 lineal feet to the east. (Ownership of: Interinsurance Exchange of the Automobile Club).

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF DPR 06-0059 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF DPR 06-0059 TO BENEFIT ZONE 133, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER’S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF DPR 06-0059 TO BENEFIT ZONE 102, CITY OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER’S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

Introduced by: Habib Motlagh, City Engineer

PUBLIC COMMENT:

D. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of Parcel into CFD 1-S (South Perris Public Services District) - Annexation No. 7; Green Valley Project. APNs: 330-150-005, 330-150-011, 330-150-012, 330-150-013, 330-150-015 and 330-150-016. (Owner(s): Eastern Municipal Water District, KB Home Coastal, LLC, and Green Valley Recovery Acquisition, LLC).

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES) OF THE CITY OF PERRIS, CALLING A SPECIAL ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS WITHIN PROPOSED ANNEXATION NO. 7 THE QUESTION OF ANNEXING SUCH TERRITORY AND LEVYING OF A SPECIAL TAX WITHIN THE AREA OF PROPOSED ANNEXATION NO 7

Introduced by: Jennifer Erwin, Director of Finance

PUBLIC COMMENT:

E. Consideration to adopt Resolution Numbers (next in order) to acquire real property for the widening of Nuevo Road and the replacement of Nuevo Road Bridge.

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF REAL PROPERTY INTERESTS IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR’S PARCEL NO. 310-180-005

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF REAL PROPERTY INTERESTS IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR’S PARCEL NOS. 310-180-050 AND 310-180-051

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF A FEE SIMPLE INTEREST IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR’S PARCEL NO. 310-180-045


Introduced by: Eric Dunn, City Attorney

PUBLIC COMMENT:

F. Consideration to introduce the First Reading of Ordinance Number (next in order) amending Zoning Code Chapters 19.61 "Conditional Use Permits" and Chapter 19.54 "Authority and Review Procedures" to clarify inconsistencies related to Conditional Use Permit approving authority in the City of Perris.

The First Reading of Proposed Ordinance Number (next in order) is entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING ORDINANCE AMENDMENT 18-05114, TO AMEND ZONING CODE CHAPTERS 19.61 "CONDITIONAL USE PERMITS" AND CHAPTER 19.54 "AUTHORITY AND REVIEW PROCEDURES" AND FIND THE PROJECT EXEMPT FROM CEQA PURSUANT TO ARTICLE 19, SECTION 15305, MINOR ALTERATIONS IN LAND USE LIMITATIONS, AND MAKE FINDINGS IN SUPPORT THEREOF

Introduced by: Dr. Grace Williams, Director of Planning and Economic Development

PUBLIC COMMENT:

G. Consideration to adopt Resolution Numbers (next in order) and introduce the First Reading of Ordinance Number (next in order) and conducting a Public Hearing and holding a Special Election for the Proposed Community Facilities District No. 2018-1 (Green Valley-West Elm) of the City of Perris (the "CFD"), designating improvement areas therein.

The Proposed Resolution Numbers (next in order) are entitled:


A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN VALLEY-WEST ELM) OF THE CITY OF PERRIS, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED $6,500,000 WITHIN IMPROVEMENT AREA NO. 1 AND $6,500,000 WITHIN IMPROVEMENT AREA NO. 2 OF SAID DISTRICT; AND CALLING A SPECIAL ELECTION WITHIN EACH SUCH IMPROVEMENT AREA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF AN ACQUISITION AND FUNDING AGREEMENT IN CONNECTION WITH THE FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN VALLEY-WEST ELM) OF THE CITY OF PERRIS

The First Reading of Proposed Ordinance Number (next in order) is entitled:


Introduced by: Jennifer Erwin, Director of Finance

PUBLIC COMMENT:

H. Consideration to adopt Resolution Number (next in order) authorizing and approving the Board of the Successor Agency to the Redevelopment Agency of the City of Perris to approve the Continuing Disclosure Certificate and Preliminary Official Statement relating to the refunding of prior obligations.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PERRIS, APPROVING THE FORM OF A CONTINUING DISCLOSURE CERTIFICATE AND PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE SUCCESSOR AGENCY’S SUBORDINATE TAX ALLOCATION REFUNDING BONDS, SERIES 2018 (TAXABLE)

Introduced by: Jennifer Erwin, Director of Finance
PUBLIC COMMENT:

10. BUSINESS ITEMS: (not requiring a "Public Hearing"):

Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. Public Comment is limited to three (3) minutes.

A. Consideration to reconsider a Community Benefit Agreement between the City of Perris and CI Distribution, LLC to permit wholesale commercial marijuana distribution at 5055 Western Way; and if approved, consider approval of Community Benefit Agreement between the City of Perris and CI Distribution, LLC.

Introduced by: Dr. Grace Williams, Director of Planning and Economic Development

PUBLIC COMMENT:

B. Discussion on the regulation of adult-use marijuana dispensaries.

Introduced by: Dr. Grace Williams, Director of Planning and Economic Development

11. PUBLIC COMMENT/CITIZEN PARTICIPATION:

This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agemented matters at the time such comments are made. Thus, your comments may be agemented for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. Public comment is limited to three (3) minutes.

12. COUNCIL COMMUNICATIONS:

(Committee Reports, Agenda Items, Meeting Requests and Review etc.)

This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

13. CITY MANAGER'S REPORT:
14. **ADJOURNMENT:** *In Memory of George Psaras*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official (951) 443-1029. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*
TO: The Honorable Mayor and Members of the City Council
FROM: Nancy Salazar, City Clerk
DATE: July 31, 2018
SUBJECT: Approval of Minutes

BACKGROUND: None.

FISCAL IMPACT: None.

- **RECOMMENDATION:** Motion to approve the Minutes of the Regular Joint Meeting held on June 12, 2018, the Minutes of the Special Joint Worksessions held on June 14, 2018 and the Minutes of the Special Joint Meeting held on June 26, 2018 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation, and Perris Joint Powers Authority

Prepared by: Judy L. Haughney, CMC, Assistant City Clerk
Approved by: Nancy Salazar, City Clerk

Attachments:
- Minutes of the Regular Joint Meeting held on June 12, 2018, the Special Joint Worksessions held on June 14, 2018 and the Minutes of the Special Joint Meeting held on June 26, 2018 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation, and Perris Joint Powers Authority
TO: The Honorable Mayor and Members of the City Council

FROM: Nancy Salazar, City Clerk

DATE: July 31, 2018

SUBJECT: Approval of Minutes

BACKGROUND: None.

FISCAL IMPACT: None.

RECOMMENDATION: Motion to approve the Minutes of the Regular Joint Meeting held on June 12, 2018 and the Minutes of the Special Joint Worksession held on June 14, 2018 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority.

Prepared by: Judy L. Haughney, CMC, Assistant City Clerk
Approved by: Nancy Salazar, City Clerk

Attachments:
- Minutes of the Regular Joint Meeting held on June 12, 2018 and the Special Joint Worksession held on June 14, 2018 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and Perris Joint Powers Authority.
CITY OF PERRIS

MINUTES:

Date of Meeting: June 12, 2018

06:30 PM

Place of Meeting: City Council Chambers

CLOSED SESSION

Mayor Vargas called the Closed Session to order at 6:00 p.m.

ROLL CALL

Present: Rabb, Rogers, Burke, Corona, Vargas

Staff Present:
City Manager Belmonte, City Attorney Dunn and City Clerk Salazar

A. Conference with Labor Negotiators - Government Code Section 54957.6
Negotiator: Richard Belmonte, City Manager Employee Organization: Teamsters
Local 911

Prior to the closed session City Attorney Dunn requested that the Council add an
urgency item of existing litigation under Government Code Section 54956.9(d)(1)
regarding City of Perris v. Kaus, Riverside Superior Court Case RIC 1708600.
The issue arose after the agenda was posted and direction is required before the
next Council meeting. The Council voted unanimously to add the item.

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve the additon
to the agenda of an urgency item of existing litigation under Government Code Section
54956.9(d)(1) regarding City of Perris v. Kaus. Riverside Superior Court Case RIC
1708600

AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corena, Michael
Vargas

NOES:

ABSENT:

ABSTAIN:

The Council adjourned to Closed Session at 6:03 p.m.

1. CALL TO ORDER: 6:30 P.M.

Mayor Vargas called the Regular City Council meeting to order at 6:31 p.m.
2. ROLL CALL: Rabb, Rogers, Burke, Corona, Vargas

Present: Rabb, Rogers, Burke, Corona, Vargas

Staff Members Present: City Manager Belmudez, City Attorney Dunn, City Engineer Motlagh, Assistant City Manager Madkin, Assistant City Manager Miramontes, Police Captain Fellows, Chief Information Officer Cervantes, Director of Planning and Economic Development Williams, Director of Administrative Services Carlos, Director of Community Services and Housing Chavez, Director of Finance Erwin, Director of Public Works Hartwill, Public Information Officer Vargo and City Clerk Salazar.

3. INVOCATION: Reverend Terry L. Wells First Baptist Church of Perris 311 E. 5th St. Perris, CA 92571

4. PLEDGE OF ALLEGIANCE:

Councilman Rabb led the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

City Attorney Dunn reported that the City Council met in Closed Session to discuss the items listed on the agenda, as well as the urgency item that was added to the agenda. He noted that an update was given, direction was given to staff, but no reportable action was taken.

6. PRESENTATIONS/ANNOUNCEMENTS:

The Mayor noted that an item would be added to presentations pertaining to a presentation by the American Legion.

A. Presentation of Certificates to the Val Verde High School recipients of the 2018 Tri-Lake Consultants Science and Engineering Scholarship Award.

B. In-N-Out Social Media winner of the top picture and video.

C. Proclamation presented to Pedro Magana, AYSO 544.

D. Certificate of Recognition presented to Dr. Shirley Johnson, Perris High School Counselor.

E. Presentation of New Officers for American Legion Post 595

7. APPROVAL OF MINUTES:

A. Approved the Minutes of the Regular Joint Meeting held on May 29, 2018 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

The Mayor called for a motion.
M/S/C: Moved by David Starr Rabb, seconded by Tonya Burke to Approve the Minutes as presented.

AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas

NOES: 

ABSENT: 

ABSTAIN: 

8. CONSENT CALENDAR:

City Attorney Dunn noted that minor changes had been made to Items 8.J. and 8.N.

Councilmember Rogers requested that Item 8.L. be pulled for a separate vote.

Councilmember Burke requested that Item 8.F. be pulled for a separate vote.

The Mayor called for Public Comment on the balance of the Consent Calendar. There was no Public Comment on the balance of the Consent Calendar.

A. Adopted the Second Reading of Ordinance Numbers 1364 and 1365 Amending and Adoption/Update of Drainage Fees - Ordinance Amendments to Chapter 18.32 of the Municipal Code adding sections 18.32.21, "Drainage Fees - Homeland/Romoland Area Drainage Plan," and 18.32.22, "Drainage Fees - San Jacinto Area Drainage Plan," for collection of drainage fees for projects within the San Jacinto River Area Drainage Plan and Homeland/Romoland Area Drainage Plan, for the purpose of construction master drainage improvements to alleviate flooding issues in the respective areas and the adopting the above-mentioned area drainage plans.

The Second Reading of Ordinance Number 1364 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING SECTION 18.32.021 TO CHAPTER 18.32 OF TITLE 18 RELATING TO FEES COLLECTED TO FUND THE CONSTRUCTION OF DRAINAGE FACILITIES AS A CONDITION TO THE DIVISION AND DEVELOPMENT OF LAND WITHIN THE HOMELAND/ROMOLAND DRAINAGE PLAN AREA

The Second Reading of Ordinance Number 1365 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING SECTIONS 18.32.022 TO CHAPTER 18.32 OF TITLE 18 RELATING TO FEES COLLECTED TO FUND THE CONSTRUCTION OF DRAINAGE FACILITIES AS A CONDITION TO THE DIVISION AND DEVELOPMENT OF LAND WITHIN THE SAN JACINTO RIVER AREA DRAINAGE PLAN

B. Adopted Resolution Number 5301 amending the Rubbish Collection Charges pursuant to Agreement with CR&R.
Resolution Number 5301 is entitled: 
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS 
AMENDING RUBBISH COLLECTION CHARGES AS PERMITTED 
IN SECTION 7.16.050 (D) OF THE PERRIS MUNICIPAL CODE AND 
RESCINDING RESOLUTION NUMBER 5121 

C. Directed staff to review the Conflict of Interest Code and submit a report 
identifying necessary revisions to the code reviewing body pursuant to 
Government Code § 87306.5. 

D. Awarded bid to Greer’s Contracting and Concrete, Inc. for $163,900 for the 
construction of the Motlagh Fitness Court at Paragon Park, including 
a project contingency of up to 10% of the contract amount ($163,900.00). 

E. Approved the purchase of a Caterpillar Model 262D Skid Steer Loader for 
$80,000 from Johnson Cat of Riverside. 

F. Approved the award of a one-year contract to Social Work Action Group 
for Fiscal Year 2018-2019 for Homeless Services in the City of Perris. 

Councilmember Burke requested that this item be taken separately. 

The Mayor called for Public Comment. The following people spoke at 
Public Comment: 
Monica Sapien 
Aaron Petroff 

The following Councilmember's spoke: 
Burke 
Corona 
Vargas 

The Mayor called for a motion. 

M/S/C: Moved by Tonya Burke, seconded by Malcolm Corona to Approve 
Item 8.F. as presented. 
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm 
Corona, Michael Vargas 

NOES: 
ABSENT: 
ABSTAIN: 

G. Approved Restoring Hope Community Services, Inc. request for a fee 
waiver for use of the Bob Glass Gym Complex and City Hall front lawn 
for the Juneteenth event to be held on June 16, 2018. 

H. Approved the request and authorized the City Manager to proceed with the 
recruitment of two additional full-time Code Enforcement Officer 
positions. 

I. Approved supporting the California League of Cities in Opposing AB3232 
(Friedman), which sets statewide goals for "zero-emission" buildings by 
2030 - both new and existing construction.
J. Approved a Consultant Agreement with MHM for an amount not to exceed $12,000 over six months to provide technical assistance for the PEACE (Protective factors Enacted to Advance Capable and Empowered Families and Youth) project within the City of Perris.

K. Approved the California Violence Intervention and Prevention (CalVIP) Grant Memorandums of Understanding with Community Based Organizations.

L. This item was not approved. Approval of the Community Benefit Agreement between the City of Perris and CI Distribution, LLC (a wholesale commercial marijuana distribution operation) located at 5055 Western Way.

Councilmember Rogers requested that this item be taken separately.

The Mayor called for Public Comment.
The following people spoke at Public Comment:

Lucia Marin
Brett Barnes

The following Councilmember's spoke:
Rogers
Burke
Vargas

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by David Starr Rabb to Approve Item 8.L. as presented.
AYES: Malcolm Corona
NOES: David Starr Rabb, Rita Rogers, Tonya Burke, Michael Vargas

ABSENT:
ABSTAIN:

M. Adopted Resolution Number 5302 regarding the Annual Levy for the Community Facilities Districts.

Resolution Number 5302 is entitled:
N. Approved Cooperative Agreement with the County of Riverside for Fire Protection, Fire Prevention, Rescue, Medical Emergency and limited Fire Marshal Services.

O. Adopted Resolution Numbers 5303 and 5304 authorizing the establishment of Proposed City of Perris Community Facilities District No. 2018-1 (Green Valley West Elm) of the City of Perris (the "CFD"), designating improvement areas therein and authorize future bonded indebtedness in the amount not to exceed $6,500,000 for each improvement area.

Resolution Number 5303 is entitled:
RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF PERRIS TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN VALLEY-WEST ELM) OF THE CITY OF PERRIS, DESIGNATE IMPROVEMENT AREAS THEREIN AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX WITHIN SAID IMPROVEMENT AREAS

Resolution Number 5304 is entitled:
RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF PERRIS TO INCUR BONDED INDEBTEDNESS IN THE AMOUNT NOT TO EXCEED $6,500,000 WITHIN PROPOSED IMPROVEMENT AREA NO. 1 AND NOT TO EXCEED $6,500,000 WITHIN PROPOSED IMPROVEMENT AREA NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN VALLEY-WEST ELM) OF THE CITY OF PERRIS

P. Approved extension of Contract Service Agreement with Bill & Dave’s Landscape, Inc. for maintenance of earthen swales, storm channels, outfalls and trenches. (Specification No. #FCD 1-2016-17- 01).

Q. Approved emergency funding for the repair and replacement of collapsed sewer collection line at 4th and D Street and award a contract to Alabbasi Construction for $246,480 (not to exceed $320,000) to repair the sewer line.

R. Adopted Resolution Number 5305 regarding Annexation of Parcels into CFD 1-S (South Perris Public Service District) - Annexation No. 7.

Resolution Number 5305 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO (ANNEXATION NO. 7)

S. Approved the purchase and contract with IWORQ’s to provide an electronic work orders management system that allows Public Works staff to track, update and complete work orders in the field in real time using cellular phone or tablets.

T. Approved renewal of a Contract Services Agreement with Dennis Grubb and Associates for fire plan check review and services.
The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Malcolm Corona to Approve the balance of the Consent Calendar with the exception of Items 8.L. and 8.F.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES: 
ABSENT: 
ABSTAIN: 

9. PUBLIC HEARINGS:

A. **Items 9.A. and 9.B. were presented together-Introduced the First Reading of Ordinance Number (next in order) amending Chapter 3.36 Home Financing Program.**

The First Reading of Ordinance Number 1366 is entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING SECTION 3.36.010 OF THE PERRIS MUNICIPAL CODE REGARDING A HOME FINANCING PROGRAM

Director of Finance Erwin presented this item and noted that Items 9.A. and 9.B. would be presented together, but would be voted on separately.

Councilmember Rabb left the City Council Chambers at 7:39 p.m. and returned at 7:41 p.m.

The Mayor opened the Public Hearing for both items 9.A. and 9.B. at 7:42 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 7:42 p.m.

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve the First Reading of Ordinance Number 1366, as presented.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES: 
ABSENT: 
ABSTAIN: 

B. **Items 9.A. and 9.B. were presented together-Introduced the First Reading of Ordinance Number 1367 repealing Chapter 2.08, Section 2.08.030 and Chapter 2.12 of the Perris Municipal Code, City Manager, City Officer and City Staff Bonds.**

The First Reading of Ordinance Number 1367 is entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, REPEALING SECTION 2.08.030 OF
CHAPTER 2.08 AND CHAPTER 2.12 OF THE CITY OF PERRIS MUNICIPAL CODE REGARDING BONDS OF THE CITY MANAGER, CITY OFFICERS AND CITY STAFF

Director of Finance Erwin presented this item and noted that Items 9.A. and 9.B. would be presented together, but would be voted on separately.

The Mayor opened the Public Hearing for both items 9.A. and 9.B. at 7:42 p.m. There was no Public Comment. The Mayor closed the Public Hearing at 7:42 p.m.

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Tonya Burke to Approve the First Reading of Ordinance Number 1367, as presented.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas

NOES:
ABSENT:
ABSTAIN:

C. Adopted Resolution Number 5306 approving Annual Engineer's Report for Landscape Maintenance District No. 1 (FY 2018/2019). Landscape Maintenance District 1 includes residential tracts and commercial developments throughout the City.

Resolution Number 5306 is entitled:

Roxanne Shepherd, Willdan Financial gave the presentation on this item and noted that Items 9.C., 9.D. and 9.E. would be taken together.

Councilmember Rogers left the City Council Chambers at 7:44 p.m. and returned at 7:45 p.m.

The Mayor opened the Public Hearing at 7:47 p.m. There was no Public Comment. The Mayor closed the Public Hearing at 7:47 p.m.

The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by Rita Rogers to Approve Resolution Numbers 5306, 5307 and 5308 as presented. Items 9.C., 9.D. and 9.E.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

D. This item was taken together with Items 9.C. and 9.E. -Adopted Resolution Number 5307 approving Annual Engineer's Report for Maintenance District No. 84-1 (FY 2018/2019). Maintenance District No. 84-1 includes residential tracts and commercial developments throughout the City.

Resolution Number 5307 is entitled:

E. This item was taken together with Items 9.C. and 9.D. -Adopted Resolution Number 5308 approving Annual Engineer's Report for Flood Control Maintenance District No. 1 (FY 2018/2019). Flood Control Maintenance District No. 1 includes residential tracts and commercial developments throughout the City.

Resolution Number 5308 is entitled:

F. Adopted Resolution Number 5309 approving the FY 2018-2019 Annual Action Plan Funding Recommendations for the Community Development Block Grant (CDBG) program.

Resolution Number 5309 is entitled:

Grants Manager Cortes de Pavon gave the presentation on this item.
The Mayor opened the Public Hearing at 7:49 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 7:49 p.m.

The following Councilmember spoke:
Vargas
The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by David Starr Rabb to Approve Resolution Number 5309 as presented.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES:
ABSENT:
ABSTAIN:


Resolution Number 5310 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, APPROVING AN AMENDMENT TO THE ENGINEERING CONDITIONS OF APPROVAL AS APPROVED BY CITY COUNCIL RESOLUTION NO. 5082, RELATED TO DEVELOPMENT PLAN REVIEW 16-00003, SPECIFIC PLAN AMENDMENT 16-05050 AND TENTATIVE PARCEL MAP 16-05049 (TPM 37055) TO FACILITATE THE CONSTRUCTION OF A WAREHOUSE BUILDING TOTALING 400,000 SQUARE FEET LOCATED AT THE SOUTHEAST CORNER OF THE I-215 AND HARLEY KNOX BOULEVARD.

Planning Manager Phung gave the presentation on this item.

The Mayor opened the Public Hearing at 7:53 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 7:53 p.m.

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Tonya Burke to Approve Resolution Number 5310 as presented.
AYES: Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES: David Starr Rabb
ABSENT:
ABSTAIN:

H. This item was tabled to a future meeting—Consideration to introduce the First Reading of Ordinance Number (next in order) regarding Ordinance Amendment 18-050163, a proposal to amend the Perris Municipal Code by adding Chapter 7.50 and amending Section 7.02.010(b) prohibiting loud or unruly gatherings on residential property to provide procedures for enforcement.
The First Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, ADDING CHAPTER 7.50 OF TITLE 7 OF THE PERRIS MUNICIPAL CODE RELATING TO LOUD OR UNRULY GATHERINGS ON RESIDENTIAL PROPERTY IN THE CITY OF PERRIS AND AMENDING SECTION 7.02.010(B) OF TITLE 7 OF THE PERRIS MUNICIPAL CODE

Planning Manager Phung gave the presentation on this item.

The following Councilmember's spoke:
Burke
Corona
Vargas

Rabb

Rogers

The Mayor opened the Public Hearing at 8:17 p.m.

The following person spoke at Public Comment:

Nannette Moreno

The Mayor Closed the Public Hearing at 8:19 p.m.

Direction was given to staff to table this item and to bring it back at a future City Council meeting with additional information.

I. Introduced the First Reading of Ordinance Number 1368 regarding Ordinance Amendment 18-05113, to amend Zoning Code Section 19.75.140, Temporary Signs of the Perris Municipal Code Sign Regulations to extend the permitted display of "Grand Opening" signs to 45 days, and to clarify permit requirements and the duration of display for other temporary signs.

The First Reading of Ordinance Number 1368 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL APPROVE ORDINANCE AMENDMENT 18-05113 TO AMEND CHAPTER 19.75.140, TEMPORARY SIGNS, TO EXTEND THE DISPLAY TIME FOR GRAND OPENING BANNERS, AND TO CLARIFY OTHER TEMPORARY SIGN REGULATIONS, AND FIND THE PROJECT EXEMPT FROM CEQA PURSUANT TO SECTION 15311(A), ACCESSORY STRUCTURES, AND MAKE FINDINGS IN SUPPORT THEREOF

Planning Manager Phung gave the presentation on this item.

The Mayor opened the Public Hearing at 8:28 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 8:28 p.m.

The following Councilmember's spoke:
Vargas
Corona
Rabb
Burke

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by Rita Rogers to Approve the First Reading of Ordinance Number 1368, amending the ordinance to extend the time limit for display of signs from 45 days to 60 days.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

J. Adopted Resolution Numbers 5311 and 5312 regarding Annexation of parcels into CFD 2001-3 (North Perris Public Safety District) - Annexation No. 27, APN # 294-190-038, located at 5100 Western Way. (Owner: 63 Western Partnership L.P.)

Resolution Number 5311 is entitled:

Resolution Number 5312 is entitled:

Justin Collins, Willdan Financial, gave the presentation on this item.

The Mayor opened the Public Hearing at 8:37 p.m. There was no Public Comment.
The Mayor closed the Public Hearing at 8:37 p.m.
The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by David Starr Rabb to Approve Resolution Number 5311 as presented.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES: ABSENT: ABSTAIN:

The Mayor asked the City Clerk to open the Ballot.

City Clerk Salazar opened the Ballot and reported that it was marked YES.

The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by Malcolm Corona to Approve Resolution Number 5312 as presented.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES: ABSENT: ABSTAIN:

10. BUSINESS ITEMS:

A. Adopted Resolution Number 5313 approving membership into the Western Community Energy Joint Powers Authority, including Agreement and Bylaws; and direct staff to bring back an Ordinance authorizing the implementation of a Community Choice Aggregation (CCA) program.

Resolution Number 5313 is entitled:
A RESOLUTION OF THE CITY COUNCIL OF PERRIS APPROVING MEMBERSHIP IN THE WESTERN COMMUNITY ENERGY JOINT POWERS AUTHORITY

This item was presented by Barbara Spoonhour, WRCOG.

The following Councilmember's spoke:

Rabb
Burke
Corona
Rogers
Vargas

The Mayor called for Public Comment.
The following person spoke at Public Comment:

Aileen Flores
The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by Malcolm Corona to Approve Resolution Number 5313 as presented.
AYES: Rita Rogers, Malcolm Corona, Michael Vargas
NOES: David Starr Rabb
ABSENT: 
ABSTAIN: Tonya Burke

B. Riverside County Fire Update.

This item was introduced by City Manager Belmudez and turned over for presentation to Division Chief Geoff Pemberton.

The Mayor called for Public Comment. There was no Public Comment.

The following Councilmember's spoke:
Vargas

C. Presentation of a $25,000 Kaiser Permanente Southern California Community Benefit Grant to the City of Perris for the Grow Perris Initiative, presented by Cecilia Arias, Community Benefit Health Manager for Kaiser Foundation Hospitals.

This item was introduced by Director of Administrative Services Carlos and turned over for presentation to Cecilia Aria, Kaiser Health Foundation.

The Mayor called for Public Comment. There was no Public Comment.

D. Youth Advisory Committee Appointment and Graduating Senior Medals.

This item was introduced by Director of Community Services and Housing Chavez and turned over for presentation to Recreation Coordinator II Rodriguez.

Mayor Pro Tem Corona left the City Council Chambers at 9:26 p.m. and returned at 9:28 p.m.
The Mayor called for Public Comment. There was no Public Comment.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Malcolm Corona to Approve the appointment of the Youth Advisory Committee members, as presented.
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

E. Appointed a City Councilmember as a voting delegate and alternate for the League of California Cities Conference being held September 12-14, 2018 in Long Beach, California.

This item was introduced by City Manager Belmudez.

The Mayor called for Public Comment. There was no Public Comment.

Mayor Pro Tem Corona was appointed as the delegate and Councilmember Rabb was appointed as the alternate for the League of California Cities Conference being held September 12-14, 2018 in Long Beach, CA.

The Mayor called for a motion.

M/S/C: Moved by Tonya Burke, seconded by David Starr Rabb to Approve the appointments of Mayor Pro Tem Corona as the delegate and Councilmember Rabb as the alternate for the LOCC 2018 Annual Conference
AYES: David Starr Rabb, Rita Rogers, Tonya Burke, Malcolm Corona, Michael Vargas
NOES:
ABSENT:
ABSTAIN:

11. PUBLIC COMMENT/CITIZEN PARTICIPATION:

The following people spoke at Public Comment:
Bill Lamb
Arlene Jackson

12. COUNCIL COMMUNICATIONS:

The following Councilmember's spoke:
Rabb
Burke
Rogers
Corona
Vargas

13. CITY MANAGER'S REPORT:

14. ADJOURNMENT:

There being no further business Mayor Vargas adjourned the Regular City Council meeting at 10:13 p.m.
Respectfully Submitted,

Nancy Salazar, City Clerk
CITY OF PERRIS

MINUTES:

Date of Meeting:       June 14, 2018

06:00 PM

Place of Meeting:      City Council Chambers

1. CALL TO ORDER: 6:00 P.M.

The Mayor called the Special Joint Worksession to order at 6:06 p.m.

2. ROLL CALL: Rabb, Rogers, Burke, Corona, Vargas

Present: Rabb, Rogers, Burke, Corona, Vargas

Staff Members Present: City Manager Belmudez, Assistant City Attorney Khuu, Director of Planning and Economic Development Williams, Director of Administrative Services Carlos, Director of Finance Erwin and City Clerk Salazar.

3. WORKSESSION:

A. Discussion on short term rental regulations and ordinance.

This item was presented by Director of Planning and Economic Development Williams.

Crystal Reed, Airbnb Operator, also presented.

The Mayor called for Public Comment. There was no Public Comment.

The following Councilmember's spoke:

Vargas
Corona
Rogers
Burke
Rabb

After discussion by the City Council, direction was given to staff regarding this item.

B. Discussion on regulation of adult-use marijuana dispensaries.

This item was presented by Planning Manager Phung.

The Mayor called for Public Comment. The following people spoke at Public Comment:
Josh Naggar
Stan Jakubowicz
Brett Barnes
Dr. Walter Jones
Ernesto Rubalcasa
Alexis Gonzalez

The following Councilmember's spoke:
Rabb
Rogers
Corona
Burke
Vargas

After discussion by the City Council, direction was given to staff regarding this item.

4. **ADJOURNMENT:**

There being no further business Mayor Vargas adjourned the Special Joint City Council Worksessions at 7:40 p.m.

Respectfully Submitted,

[Signature]

Nancy Salazak, City Clerk
CITY OF PERRIS

MINUTES:

Date of Meeting: June 26, 2018
06:30 PM

Place of Meeting: City Council Chambers

1. **CALL TO ORDER: 6:30 P.M.**

   The Mayor called the Special Meeting of the City Council to order at 6:30 p.m.

2. **ROLL CALL:** Rogers, Burke, Corona, Rabb Vargas

   Present: Rogers, Burke, Rabb, Vargas
   Absent: Corona

   Staff Present: City Manager Belmudez, City Attorney Dunn, Assistant City Manager Madkin, Assistant City Manager Miramontes and City Clerk Salazar

3. **CONSENT:**

   The Mayor called for Public Comment. There was no Public Comment.

   A. Adopted Resolution Number 5314 approving update to established authorized agents of the City of Perris regarding CAL_EMA applications and release of federal assistance funds.

   Resolution Number 5314 is entitled:
   A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, UPDATING THE ESTABLISHED AUTHORIZED AGENTS OF THE CITY OF PERRIS FOR FILING APPLICATIONS AND REQUESTING RELEASE OF FUNDS FOR FEDERAL ASSISTANCE FROM THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CAL_EMA)

   The Mayor called for a motion.

   M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve Resolution Number 5314 as presented.

   AYES: Rita Rogers, Tonya Burke, David Starr Rabb, Michael Vargas
   NOES: 
   ABSENT: Malcolm Corona
   ABSTAIN: 

4. **PUBLIC COMMENT/CITIZEN PARTICIPATION:**
The Mayor called for Public Comment. There was no Public Comment.

5. **COUNCIL COMMUNICATIONS:**

The following Councilmember's spoke:
Rabb
Vargas
Burke
Rogers

6. **ADJOURNMENT:**

There being no further business the Mayor adjourned the Special City Council meeting at 6:43 p.m.

Respectfully Submitted,

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**Nancy Salazar, City Clerk**

Council Members Present: Rita Rogers, Tonya Burke, Malcolm Corona, David Starr Rabb, Michael Vargas

Staff Members Present: None.
Meeting Date: July 31, 2018

SUBJECT: Sponsorship Funding for the Expansion of the Perris Green City Farm from Eastern Municipal Water District

REQUESTED ACTION: To Authorize the City Manager to Sign the Letter Agreement Between the City of Perris and Eastern Municipal Water District for Funding Participation of the Perris Green City Farm Expansion Phase II

CONTACT: Isabel Carlos, Director of Administrative Services

BACKGROUND/DISCUSSION:

On April 22, 2016, the City of Perris held the Grand Opening of the Perris Green City Farm ("PGCF") Phase I. The Perris Green City Farm, an educational community garden located on City Hall campus has become a regional urban model. The PGCF serves to facilitate and host events to promote healthier life styles for our residents such as Yoga in the Garden, Chef in the Garden, Salud con Sabor (Health with Flavor), Master in the Garden, and the Junior Master Gardener Program. The PGCF serves as the main satellite hub for the Grow Perris Initiative, wherein the City endeavors to build 30 gardens with the same program elements as the PGCF to expand health equity and improve health outcomes for our community. The physical expansion of the PGCF includes a Kid’s Growing Corner, ADA Accessibility, an Outdoor Nutrition Educational Platform, an Open Space area for Physical Activity Promotion, and alternative energy components (i.e. solar panels). The construction of the full project conceptual is planned in three phases.

Major sponsor partners for the PGCF include Eastern Municipal Water District ("EMWD"), Western Riverside Council of Governments, Kaiser Permanente, and the County of Riverside Department of Public Health (Riverside University Health Systems). During the construction of Phase I, EMWD provided a $25,000 sponsorship. If approved, the subject Letter Agreement will secure an additional funding participation in the amount of $20,000 from EMWD towards Phase II of the expansion of the PGCF.

BUDGET (or FISCAL.) IMPACT:

None

Prepared by: Eduardo Sida, Program Coordinator

Reviewed by:

City Attorney
Assistant City Manager
Director of Finance

Attachments: Letter Agreement Between the City of Perris and EMWD
Perris Green City Farm Program Conceptual

Business Item: July 31, 2018
May 31, 2018

Mr. Richard Belmudez
City of Perris
101 North "D" Street
Perris, Ca. 92570

RE: GREEN CITY FARM PHASE II – FUNDING PARTICIPATION

LETTER AGREEMENT

When signed by both parties, this letter will serve as an agreement between Eastern Municipal Water District (EMWD) and the City of Perris (City) for purposes of establishing the terms and conditions whereby EMWD will contribute a total of $20,000 toward City’s Green City Farm Project Phase II.

In this regard, it is hereby understood and agreed as follows:

1. EMWD and City support water use efficiency and cost-effective means of ensuring long-term water reliability for the region.

2. City intends to expand its community demonstration facility at its City Hall location to include an outdoor classroom area, kids’ corner, and an outdoor kitchen.

3. EMWD supports City’s installation of the Phase II project and hereby agrees to contribute a total of $20,000 toward such facilities pursuant to the terms and conditions of this Letter Agreement.

4. Accordingly, City shall be responsible to secure all necessary funding to implement the Phase II project as presented in the Proposed Perris Green City Farm Program Phase II Conceptual.
5. City shall provide security and protection from the elements for the Phase II Project consistent with other landscaping at City's property, to endeavor project success for a minimum period of five years.

6. City agrees to operate and maintain the Phase II project for a minimum period of 1-year, and to provide EMWD not less than two weeks' notice prior to making any substantial changes to the project, including modifications to Phase II, adjacent building demolition, or the addition of future phases of the garden.

7. EMWD shall provide one-half of its proposed $20,000 participation funding upon written notification by City to EMWD that all additional funding is secured in writing and that all plans are finalized to the satisfaction of the funding partners. EMWD will provide the balance of its participation funding ($10,000) upon successful project installation and inspection by EMWD, which review and inspection shall not be unreasonably withheld.

8. City will provide EMWD with recognition as a partnering agency at the grand opening event(s), through applicable media communications, on-site signage approved by EMWD, and all other promotional efforts. Additional signage will relay educational messages regarding water-efficient features, as agreed upon by EMWD.

9. City will provide EMWD staff with access to the Phase II project during normal City business hours and during pre-arranged weekend hours for purposes of leading tours, workshops, and educational events such as, but not limited to, those with the Youth Ecology Corps and EMWD water facility tours.

10. **Hold Harmless and Indemnification.** EMWD, its agents, officers and employees shall not be liable for any claims, liabilities, penalties, fines, theft, or any damage to property, whether real or personal, nor for any personal injuries or death caused by, or resulting from, or claimed to have been caused by or resulting from, in any way, EMWD's participation in the Phase II project.

City hereby agrees to indemnify and hold harmless and to defend EMWD and its authorized agents, officers and employees against any of the foregoing liabilities, claims and/or any cost or expense that is incurred by EMWD on account of any of the foregoing liabilities, including, but not limited to, liabilities or claims by reason of City's actions in the construction or use of the Phase II Project. However, City's obligation to indemnify and hold EMWD harmless shall not apply to instances of EMWD's gross negligence or willful misconduct.
11. This Letter Agreement is intended as a complete and exclusive statement of the terms of their understanding, superseding all prior agreements, written or oral, as to this subject matter.

If the foregoing terms and conditions are satisfactory to you, please indicate so by signing in the space provided on each of the two copies of this letter. Upon receipt, we will execute both copies and return one fully executed original to your attention.

EASTERN MUNICIPAL WATER DISTRICT

By: ________________________________
    Paul D. Jones II, P.E., General Manager

Dated: ______________________________

CITY OF PERRIS

The foregoing terms and conditions are hereby approved and agreed to.

By: ________________________________
    Richard Belmudez, City Manager

Dated: ______________________________

ATTEST:

_______________________________
Nancy Salazar, City Clerk
Meeting Date:  July 31, 2018

SUBJECT:  Second Reading of the following ordinance to amend Chapter 3.36 Home Financing Program

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING SECTION 3.36.010 OF THE PERRIS MUNICIPAL CODE REGARDING A HOME FINANCING PROGRAM

REQUESTED ACTION:  Approve the second reading of Ordinance No. ___ to amend Chapter 3.36 of the Municipal Code of the City of Perris established by Ordinance No. 735 in 1988

CONTACT:  Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION:
On June 12, 2018, the City Council held a public hearing and approved the first reading of an Ordinance to repeal Municipal Code Chapter 2.08, Section 2.08.030, and Chapter 2.12 regarding bonds of City employees. In support of the amendment, the staff report given at the public hearing stated the following:

- In 1988, Ordinance No. 735 adopted a home financing program that allowed the City to issue qualified mortgage revenue bonds. The bonds would assist the City in providing affordable housing to its residents and offer below market interest rates to low income families. The City has partnered with the County of Riverside many times in the past to administer this program and efforts to combat the housing crises continues 30 years later. In recent years, the Riverside County Economic Development Agency has partnered with local jurisdictions to issue mortgage credit certificates, which is an allowable alternative to issuing bonds per Part 5 of Division 31 of the Health and Safety Code (the “Act”). The Act essentially allows both financing mechanisms, but the Perris ordinance only mentions issuing “mortgage revenue bonds”. Staff is recommending an amendment be made to add the appropriate reference to “mortgage credit certificates” and “any other allowable financing mechanisms” pursuant to the Health and Safety Code. This would further define the scope of the program and allow for the City to administer any financing mechanisms allowed by the Act. This ordinance was reviewed with the Ways and Means Subcommittee on March 22, 2018.

Staff recommends the City Council approve the amendment of this ordinance.
BUDGET (or FISCAL) IMPACT:  None

Reviewed by:

City Attorney
Assistant City Manager
Director of Finance

Attachments:
1. City of Perris Ordinance Amending Chapter 3.36 of the Municipal Code

Consent
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING SECTION 3.36.010 OF THE PERRIS MUNICIPAL CODE REGARDING A HOME FINANCING PROGRAM

WHEREAS, the City Council has determined to repeal or amend old ordinances and sections of the Municipal Code that are obsolete or do not reflect current law or practices.

WHEREAS, Chapter 3.36 of the Perris Municipal Code, approved by the City Council and established by Ordinance No. 735 on June 27, 1988, adopts a home financing program pursuant to Part 5 of Division 31 of the Health and Safety Code (the "Act") and determines to issue mortgage revenue bonds pursuant to the Act in order to provide funds for the program; and

WHEREAS, Section 50197 of the Act allows governmental agencies to issue qualified mortgage revenue bonds and mortgage credit certificates; and

WHEREAS, the City Council adopted Resolution No. 2605 on May 27, 1997 that approved a mortgage credit certificate program and a cooperation agreement with the County of Riverside (the "County") to administer the home financing program within the geographical boundaries of the City; and

WHEREAS, Chapter 3.36 of the Perris Municipal Code does not contain a reference to the mortgage credit certificate program the City adopted and has historically partnered with the County to administer; and

WHEREAS, the City Council now desires to amend Section 3.36.010 of the City of Perris Municipal Code to include an expanded definition of the home financing program.

THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY ORDAINS AS FOLLOWS:

Section 1. Recitals Incorporated. The foregoing Recitals are incorporated herein by reference as if set forth in full.

Section 2. Amendment of Section 3.36.010. Section 3.36.010 of the Perris Municipal Code is hereby amended to read in its entirety as follows:

"The City hereby adopts the home financing program (the "program") pursuant to Part 5 of Division 31 of the Health and Safety Code (the "Act") and hereby determines to issue its mortgage revenue bonds, mortgage credit certificates, and any other allowable financing mechanisms pursuant to the Act in order to provide funds for the program."
Section 3. No Repeal of other Provisions. Unless expressly modified herein, all provisions of Title 2 shall remain in full force and effect.

Section 4. Effective Date. This Ordinance shall take effect 30 days after its adoption.

Section 5. Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portions thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions thereof be declared invalid or unconstitutional.

Section 6. Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

ADOPTED, SIGNED and APPROVED this ___ day of __________, 2018.

______________________________
Michael M Vargas, Mayor

ATTEST:

______________________________
Nancy Salazar, City Clerk
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  
CITY OF PERRIS  

I, Nancy Salazar, City Clerk of the City of Perris that the foregoing Ordinance Number ___ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the ___ day of __________, 2018, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

__________________________
Nancy Salazar, City Clerk
Meeting Date: July 31, 2018

SUBJECT: Second Reading of the following ordinance to repeal Chapter 2.08, Section 2.08.030 and Chapter 2.12 of the Perris Municipal Code, City Manager, City Officer, and City Staff Bonds

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, REPEALING SECTION 2.08.030 OF CHAPTER 2.08 AND CHAPTER 2.12 OF THE CITY OF PERRIS MUNICIPAL CODE REGARDING BONDS OF THE CITY MANAGER, CITY OFFICERS, AND CITY STAFF

REQUESTED ACTION: Approve second reading of Ordinance No. ____ to repeal Chapter 2.08, Section 2.08.030 and Chapter 2.12 of the Perris Municipal Code established by Ordinance Nos. 250 and 3, respectively

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION:
On June 12, 2018, the City Council held a public hearing and approved the first reading of an Ordinance to repeal Municipal Code Chapter 2.08, Section 2.08.030, and Chapter 2.12 regarding bonds of City employees. In support of the amendment, the staff report given at the public hearing stated the following:

- In 1911, Ordinance No. 3 was adopted and created Chapter 2.12 of the City of Perris Municipal Code. In 1962, Ordinance No. 250 was adopted and created Chapter 2.08 of the City of Perris Municipal Code. Both ordinances established a requirement for certain City officers and staff to provide surety bonds if they were hired in specific positions. However, the bonds would only protect the City against theft or crime committed by those individuals required to submit bonds for approval by the City Council. The City now has a crime insurance policy that protects the City from theft or crime committed by any employee or officer. Staff is recommending the two references to employee bonds be repealed from the municipal code. These ordinances were reviewed with the Ways and Means Subcommittee on March 22, 2018 and determined to be outdated.

Staff recommends the City Council approve the repeal of this ordinance.

BUDGET (or FISCAL) IMPACT: None
Reviewed by:

City Attorney
Assistant City Manager
Director of Finance

Attachments:
1. City of Perris Ordinance Repealing Chapter 2.08, Section 2.08.030, and Chapter 2.12 of the Municipal Code

Consent
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, REPEALING SECTION 2.08.030 OF CHAPTER 2.08 AND CHAPTER 2.12 OF THE CITY OF PERRIS MUNICIPAL CODE REGARDING BONDS OF THE CITY MANAGER, CITY OFFICERS, AND CITY STAFF

WHEREAS, on July 10, 1962, the City Council adopted Ordinance No. 250, which enacted Chapter 2.08 of the City of Perris Municipal Code and established a City Manager form of government; and

WHEREAS, Section 2.08.030 of the City of Perris Municipal Code states that the City Manager shall furnish a corporate surety bond to be approved by the City Council; and

WHEREAS, on July 7, 1911, the City Council adopted Ordinance No. 3, which enacted Chapter 2.12 of the City of Perris Municipal Code and established a requirement for certain city staff and officers to furnish an official surety bond to be approved by the City Council; and

WHEREAS, the practice of requiring surety bonds from certain staff and officers was previously practical to protect the City from crime that may have arisen from certain staff and officer actions, but it has been superseded by a citywide crime policy that protects the City from unlawful theft performed by any employee or officer and is not specific to certain staff positions; and

WHEREAS, the City Council has determined to repeal old ordinances and sections of the Municipal Code that are no longer applicable.

WHEREAS, the City Council now desires to repeal these sections.

THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY ORDAINS AS FOLLOWS:

Section 1. Recitals Incorporated. The foregoing Recitals are incorporated herein by reference as if set forth in full.

Section 2. No Repeal of other Provisions. Ordinance 250, Section 3 and Chapter 2.12 of the Perris Municipal Code is hereby repealed. Unless expressly modified or added herein, all provisions of Title 2 remain in full force and effect.

Section 3. Effective Date. This Ordinance shall take effect 30 days after its adoption.

Section 4. Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional
by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portions thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions thereof be declared invalid or unconstitutional.

Section 5. Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

ADOPTED, SIGNED and APPROVED this ___ day of __________, 2018.

__________________________
Michael M. Vargas, Mayor

ATTEST:

______________________________
Nancy Salazar, City Clerk
I, Nancy Salazar, City Clerk of the City of Perris that the foregoing Ordinance Number ____ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the ____ day of __________, 2018. and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

Nancy Salazar, City Clerk
CITY COUNCIL
AGENDA SUBMITTAL

July 31, 2018

SUBJECT: Ordinance Amendment 18-05113—To amend Zoning Code Section 19.75.140, Temporary Signs, of the Perris Municipal Code Sign Regulations to extend the permitted display of “Grand Opening” signs to 60 days, and to clarify permit requirements and the duration of display for other temporary signs.

REQUESTED ACTION: Adopt Second Reading of Ordinance No. 1368 to find the Ordinance Amendment categorically exempt from the California Environmental Quality Act (CEQA) guidelines pursuant to Section 15331(a), Accessory Structures (On-premise Signs), and to approve Ordinance Amendment 18-05113, based on the findings contained in the Ordinance.

CONTACT: Dr. Grace Williams, Director of Planning and Economic Development

Background

On June 12, 2018, the City Council voted unanimously to extend the display time of “Grand Opening” banners from 30 days to 60 days, and to approve minor changes to the temporary sign permit requirements in Zoning Code Section 19.75.140, Temporary Signs. The approval did modify the Planning Commission’s initial recommendation for “Grand Opening” banner displays to be up for 45 days. The City Council voted instead for the time period for banner postings be extended to 60 days. In regards to minor changes to the temporary sign permit requirements, the changes involve clarification to signage allowance, time limits and permit requirements, as summarized below:

➢ Window Signs. Temporary window sign is for special events such as fundraisers, rodeos or circuses, or other types of events of limited duration.
➢ Vertical Banner Signs. The length of display time, intervals of display, and total display annually was added for vertical banner signs.
➢ Temporary Commercial Event Signs. This section addresses ancillary devices used to attract public attention to events advertised by a business, in conjunction with temporary banners and/or window signs. These devices include balloons, festoons, statuary, pennants and flags that may be permitted when added to the temporary sign application.
➢ Temporary Sign Maintenance. A provision was provided for maintenance for all temporary signs.

Upon adoption, the Ordinance to amend Zoning Code Section 19.75.140 will become enacted thirty days thereafter (August 31, 2018).

BUDGET (or FISCAL) IMPACT: The cost for staff preparation of this item is included in the existing 2018-2019 General Fund.
Prepared by: Kenneth Phung, Planning Manager

Consent: July 31, 2018

Assistant City Manager: Darren Madkin
Assistant City Manager: Clara Miramontes
Director of Finance: Jennifer Erwin

Attachments: 1. City Council Ordinance No. 1368
2. Revised Zoning Code Chapter 19.75.140, Temporary Signs, Zoning Code Chapter 19, Sign Regulations
3. City Council submittal dated June 12, 2018
ORDINANCE NUMBER 1368

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, TO AMEND CHAPTER 19.75.140, TEMPORARY SIGNS, TO EXTEND THE DISPLAY TIME FOR GRAND OPENING BANNERS, AND TO CLARIFY OTHER TEMPORARY SIGN REGULATIONS, AND FIND THE PROJECT EXEMPT FROM CEQA PURSUANT TO SECTION 15311(a), ACCESSORY STRUCTURES, AND MAKE FINDINGS IN SUPPORT THEREOF.

WHEREAS, the City of Perris supports and desires to assist new businesses by amending Chapter 19.75.140, Temporary Signs, to extend the display time for grand opening banners from 30 days to 60 days; and

WHEREAS, Ordinance Amendment 18-05113 also clarifies regulations regarding temporary signs by including purpose, display periods, and the number of times per year that various temporary signs may be displayed; and

WHEREAS, on May 9, 2018, the Planning Commission conducted a special and legally noticed public hearing for Ordinance Amendment 18-05113, and recommended approval of the project to City Council after considering public testimony and accompanying documents; and

WHEREAS, on May 29, 2018, the City Council conducted a regularly scheduled and legally noticed public hearing for Ordinance Amendment 18-05113, and voted to approve the First Reading of said Ordinance based on the findings contained in the Resolution and attached exhibits; and

WHEREAS, all legal prerequisites for the adoption of this resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris as follows:

Section 1. The above recitals are all true and correct.

Section 2. The City Council has reviewed and considered the proposed ordinance and attachments and finds and determines that the City has complied with the California Environmental Quality Act (CEQA) and the project is Categorically Exempt from the CEQA Guidelines pursuant to Section 15311(a), Accessory Structures (On-premise Signs), and that this determination reflects the independent judgment of the City Council.

Section 3. Based on the information contained in the agenda submittal and supporting exhibits, this Council finds, regarding the proposed Ordinance Amendment 18-05113, as follows:

Attachment 1
Ordinance Amendment 18-05113

A. The proposed Ordinance Amendment will not result in a significant adverse effect on the environment. The California Environmental Quality Act (CEQA) Guidelines state that the project is Categorically Exempt pursuant to Section 15311(a), Accessory Structures, as they pertain to on-site signs.

B. The proposed Ordinance Amendment will not conflict with the goals, policies, and implementation measures set forth in the General Plan and Zoning Ordinance because the purpose of the Ordinance Amendment is to support and promote commerce and industry to provide jobs for residents at all economic levels, pursuant to Goal III of the Land Use Element of the General Plan. The Zoning Code specifically outlines the requirements for obtaining sign permits so that signs displayed in the City of Perris do not detract from the building architecture, provide an inappropriate distraction to members of the public, or allowed to become unsightly or damaged.

C. The proposed Ordinance Amendment will not have a negative effect on public health, safety, or the general welfare of the community because the Sign Ordinance in its entirety, including the provisions for display of temporary signs, are designed to promote aesthetically-pleasing signs that enhance the built environment and support and promote local business.

Section 4. The City Council hereby approves Ordinance Amendment 18-05113 to amend chapter 19.75.140, Temporary Signs, to extend the display time for grand opening banners to 60 days, and to clarify other temporary sign regulations, based on the findings presented herein.

Section 5. The City Council declares that should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words of this Resolution shall remain in full force and effect.

Section 6. The Mayor shall sign this Ordinance and the City Clerk shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provisions of law in this regard, and this Ordinance shall take effect thirty days after its final passage.

ADOPTED, SIGNED and APPROVED this 31st day of July, 2018.

Mayor, Michael J. Vargas

ATTEST:

City Clerk, Nancy Salazar
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  §
CITY OF PERRIS  

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance Number 1368 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________________
City Clerk, Nancy Salazar

Attachment: Zoning Code Chapter 19.75.140, Temporary Signs
The following regulations shall apply to temporary sign displays:

A. **Application and Permit Required.** A Temporary Sign Permit is required before any temporary sign is placed on a site. The following information is required for submittal of a temporary sign permit application:
   1. A completed application form and fee.
   2. Plans drawn to scale indicating the sign area, dimensions, proposed copy, colors, materials and method of illumination, if any.
   3. Site plan indicating the location of the proposed sign on the subject property.

B. **Approval.** An application for a temporary sign permit shall be reviewed and approved by the Planning Division, subject to the regulations for each sign type as contained in this Section.

C. **A Temporary Sign Permit shall be required for the following:**
   1. **Grand Opening Banners.** One (1) banner not exceeding 60 square feet shall be allowed for a period not exceeding 60 consecutive days per calendar year for a business opening, change of ownership or management, or change of use, with verification of a new business license or change to an existing business license, as part of the permit application process, on the building frontage where the banner is to be displayed. The banner shall be stretched and secured flat against the building surface and shall not extend higher than the building eave or the building parapet wall. A separate permit application is required for each occurrence.

   2. **Window Signs for Special Events.** No more than three (3) temporary signs not exceeding a combined twenty-five (25%) percent of the total window area, or a combined area of 40 square feet, whichever area is less, may be displayed up to 14 days in the window area of each building frontage throughout the duration of an event. Such signs may be painted directly onto the window in water-soluble paints or constructed of paper, wood, fabric, plastic, vinyl or similar materials and securely adhered to, or oriented toward the street or public right-of-way. All paper signs must be mechanically printed. Signs shall be removed within seven (7) days of the conclusion of the event, and will be permitted a maximum of four (4) times during the calendar year. A separate permit application is required for each occurrence.

   3. **Vertical Banner Signs.** Not more than four freestanding vertical banners may be displayed per street frontage, at a distance of not less than 20 feet apart, no closer than five feet from the property line and public right of way. Vertical banners shall not exceed 15 square feet and 10 feet in height. Signs may be displayed a maximum of 30 days. Such temporary signs may be permitted and erected again after an interval of 45 days, and in no case shall the vertical banners exceed 90 total days of display per calendar year.

   4. **Temporary Commercial Event Signs.** Other types of temporary signage including balloons, festoons, statuary, pennants and flags may be included in the temporary sign permit, subject to Planning Division review and approval in conjunction with
he temporary signs described above, and as required by other sections of this code.

D. Temporary Signs Shall be Maintained in Good Condition. Damaged or faded signs shall be replaced within 72 hours.

E. Model Home Complex Signs. All signs for model units associated with new single-family developments and multi-family developments shall require a temporary sign permit. Model units for multi-family and single-family developments are permitted as follows:

1. Up to five flags, with an additional two flags permitted per each model home within the complex, or every 50 units contained within the multi-family development.
2. One on-site identification sign not to exceed 12 square feet in area and not more than 8 feet in height.
3. Directional signs for parking areas, model home entrance and sales office area. No sign shall be more than two square feet in area, and four feet in height if freestanding, or six feet from finished grade if attached to a structure.
4. Each model shall be permitted one sign two square feet in area and four feet in height if freestanding, or six feet from finished grade if attached to the home.
5. All model home complex signs shall be removed within 10 days from the closure of the model home complex.
6. All signage for multi-family development shall be permitted upon the opening of a complex and until 80 percent of the complex is rented/sold or for a period of time not to exceed 12 months from opening date, whichever comes first. A 6-month extension may be granted, if less than 80 percent of the complex is occupied.

E. Directional Subdivision Signs. A temporary sign permit is required prior to the placement of a directional subdivision sign either on or off the subject property. Off-site signs are limited to a maximum of two signs located on Collector and Arterial streets only, and not within the public right of way. Such signs shall not exceed 32 square feet and/or 10 feet in height. These signs may be allowed at the discretion of the Planning Division in addition to a City-approved off-site directional sign program for subdivisions.
CITY COUNCIL
AGENDA SUBMITTAL

June 12, 2018

SUBJECT: Ordinance Amendment 18-05113 – To amend Zoning Code Section 19.75.140, Temporary Signs, of the Perris Municipal Code Sign Regulations to extend the permitted display of “Grand Opening” signs to 45 days, and to clarify permit requirements and the duration of display for other temporary signs.

REQUESTED ACTION: INTRODUCE First Reading of Ordinance No. (next in order) to find the Ordinance Amendment categorically exempt from the California Environmental Quality Act (CEQA) guidelines pursuant to Section 15311(a), Accessory Structures (On-premise Signs), and to approve Ordinance Amendment 18-05113, based on the findings contained in the Ordinance.

CONTACT: Dr. Grace Williams, Director of Planning and Economic Development

Background

On May 9, 2018, the Planning Commission voted 6-1 (6 ayes and 1 absent) to recommend extending the display duration of “Grand Opening” banners from 30 days to 45 days, and approving minor changes to temporary sign permit requirements in Zoning Code Section 19.75.140, Temporary Signs. The Planning Commission modified staff’s initial recommendation for a 90-day display period for “Grand Opening” banners from 90 days to 45 days.

The proposed update to Section 19.75.140 of the City of Perris Zoning Ordinance as it pertains to “Temporary Signs”, and to consider an extension of display time on “Grand Opening” banners for new businesses in order to “promote and protect private investment in buildings and open space” was at the direction of the City Council. To provide a reasonable system of control and consistency pertaining to signs in, and throughout, the City Chapter 19.75 of the Zoning ordinance outlines the follow key goals for signage criteria:

1) Provide a reasonable system of sign control, integrated within and as a part of the comprehensive zoning plan set forth by this Code. 2) To enhance the economic value of the City through the uniform regulation of development standards for the size, height, location, and illumination of signs. 3) To protect public and private investment in buildings and open space. 4) To preserve and improve the appearance of the City as a benefit to residents and those employed here, and as an attraction to others who come to visit or trade. 5) To attract and direct persons to a variety of activities and enterprises for the maximum public convenience. 6) To encourage sign compatibility with the land use. 7) To reduce traffic and safety hazards to motorists and pedestrians through sound sign practices. 8) To encourage a desirable urban character with a minimum of overhead clutter. 9) To avoid a profusion of sign displays
confusing to the public. 10) To encourage and incentivize well-designed signs and provide grounds for latitude regarding well-designed sign relationships. 11) To promote the public health, safety and general welfare of the City. (p. 19.75-1)

In reviewing Section 19.75.140, staff noted that while display durations and permit requirements within the Code attempt to meet the aforementioned goals, the guidance emphasized the avoidance of hazards related to “urban” settings. Clarifications were needed to support the emerging economic, and more rural, environment within the City. As such, Ordinance Amendment 18-05113 provides additional requirements for temporary signs, including an extension of display time for Grand Opening signs from 30 to 45 days.

Grand Opening Banner Survey

To learn how other cities in the local area addressed the display of temporary “Grand Opening“ banners, staff conducted a survey of seven surrounding cities to determine their requirements:

<table>
<thead>
<tr>
<th>CITY</th>
<th>DISPLAY DURATION</th>
<th>INTERVAL BETWEEN DISPLAYS</th>
<th>MAXIMUM DAYS PER YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORENO VALLEY</td>
<td>60 DAYS</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>LAKE ELSINORE</td>
<td>30 DAYS</td>
<td>30 DAYS</td>
<td>120 DAYS</td>
</tr>
<tr>
<td>HEMET</td>
<td>45 DAYS</td>
<td>30 DAYS</td>
<td>NA</td>
</tr>
<tr>
<td>MENIFEES</td>
<td>45 DAYS</td>
<td>NA</td>
<td>90 DAYS</td>
</tr>
<tr>
<td>MURRIETA</td>
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<td>NA</td>
<td>120 DAYS</td>
</tr>
<tr>
<td>RIVERSIDE</td>
<td>30 DAYS</td>
<td>NA</td>
<td>60 DAYS</td>
</tr>
<tr>
<td>SAN JACINTO</td>
<td>45 DAYS</td>
<td>45 DAYS</td>
<td>180 DAYS</td>
</tr>
</tbody>
</table>

The survey results indicate that most nearby cities limit the display time of grand opening banners to a maximum of 30-45 days, and the frequency of banner display from two to four times a year. Since the City of Perris seeks to enhance the economic value of the City, staff recommends the display period for temporary “Grand Opening” banners (Section 19.75.140.C.1) be extended to 45 days, as recommended by the Planning Commission, with no limit or required interval between displays, as long as the business complies with the following permit application requirements:

“Grand Opening” signs will be permitted within 45 days of a business opening, change of ownership or management, or change of use, with verification of a new business license or change to an existing business license, as part of the application process.

Proposed Clarifications to Sign Regulations

To ensure that business owners have all the information necessary to design, permit and display their temporary signs, minor changes are proposed to Section 19.75.140 regarding time limits and permit requirements for other types of temporary signage, as follows:
Section 19.75.140.C.2. Window Signs. Clarification will be provided that this type of temporary window sign is for special events such as fundraisers, rodeos or circuses, or other types of events of limited duration. These signs may be displayed for a total of 14 days leading up to and including the event, and must be removed within seven days of the conclusion of the event. The number of times per year and that a permit is required for each occurrence was also included.

Section 19.75.140.C.3. Vertical Banner Signs. The length of display time, intervals of display, and total display annually was added for vertical banner signs, and a minor edit regarding banner dimensions was moved up in the paragraph to be consistent with the other temporary sign requirements. A permit requirement was added for each 30-day display period.

Section 19.75.140.C.4. Temporary Commercial Event Signs. This section is intended to address ancillary devices used to attract public attention to events advertised by a business, in conjunction with temporary banners and/or window signs. These devices include balloons, festoons, statuary, pennants and flags that may be permitted when added to the temporary sign application. These devices do not include the items listed in Section 19.75.090, Prohibited Signs, which includes inflatable signs, figural balloons, humanoid figures, and signs with emissions of smoke, vapor, particles, sound or odor, or flashing lights.

Section 19.75.140.D, Temporary Sign Maintenance. A provision found in Section 19.75.140.C.2, Window Signs, regarding sign maintenance should apply to all temporary signs, and is not covered by Section 19.75.180, Sign Maintenance, which applies only to permanent sign structures and allows 14 days for compliance. Since the display period for some temporary signs is 14 days, a separate maintenance provision for temporary signs was needed and has been added as Section 19.75.140.D.

Staff recommends that the City Council find the Ordinance Amendment 18-05113 categorically exempt from the California Environmental Quality Act (CEQA) guidelines pursuant to Section 15311(a), Accessory Structures (On-premise Signs), and approve the Ordinance Amendment based on the findings contained in the Ordinance.

**BUDGET (or FISCAL) IMPACT:** The cost for staff preparation of this item is included in the existing 2017-2018 General Fund.

Prepared by: Diane Sbardellati, Associate Planner
Reviewed by: Kenneth Phung, Planning Manager

**Public Hearing:** June 12, 2018

Assistant City Manager: Darren Madkin
Assistant City Manager: Clara Miramontes
Director of Finance: Jennifer Erwin

Attachments:
1. City Council Ordinance (next in order)
2. Revised Zoning Code Chapter 19.75.140, Temporary Signs, Zoning Code Chapter 19, Sign Regulations
3. Planning Commission Staff Report and Resolution dated May 9, 2018
CITY COUNCIL/REDEVELOPMENT AGENCY
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: Cooperative Agreement – Perris Valley Channel, Stage 3

REQUESTED ACTION: Approve the Agreement

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION: Pulte Homes, developers of Tr. 30850 is required to widen Perris Valley Channel between Orange Avenue and Sunset Avenue.

RCFC will be responsible to maintain the above facilities, City of Perris will be responsible to maintain the Non-Master Planned Facilities and the proposed trail system once implemented.

BUDGET (or FISCAL) IMPACT: The cost of maintenance of Non-Master Planned Facilities will be paid and reimbursed by the project’s annexation to Flood Control Maintenance District. RCFC will maintain their facility, the City of Perris will maintain the trail system.

Reviewed by:

City Attorney
Assistant City Manager
Director of Finance

Attachments: Cooperative Agreement for Project No. 4-0-00461 & 4-0-00010

Consent: Yes
Public Hearing:
Business Item:
Other:
Mr. Habib Motlagh  
City of Perris  
24 North D Street, Suite 100  
Perris, CA 92570

Dear Mr. Motlagh:  

Re: Perris Valley Channel, Stage 3  
Project No. 4-0-00010  
Tract No. 30850  
Cooperative Agreement

Enclosed herewith for execution are six (6) original signature pages and one (1) informational copy of the above-referenced Agreement. Upon execution, please return the six (6) original signature pages to this office for further processing. Following execution by the District, a fully executed copy of the Agreement will be returned for your files.

Thank you for your assistance in the above matter and should you have any questions, please do not hesitate to call Ann Marie Rolle at 951.955.1243 or me at 951.955.1282.

Very truly yours,

[Signature]

JULIANNA ADAMS  
Senior Civil Engineer

Enclosures

cc: Ann Marie Rolle

AMR:mev  
P8:221332
COOPERATIVE AGREEMENT
Perris Valley Channel, Stage 3
Project No. 4-0-00010
Tract No. 30850

The Riverside County Flood Control and Water Conservation District, a body politic ("DISTRICT"), the City of Perris, a municipal corporation ("CITY"), and Centex Homes, a Nevada general partnership ("DEVELOPER"), hereby agree as follows:

RECATALS

A. DISTRICT operates and maintains Perris Valley Channel, Stage 3 (Project No. 4-0-00010), hereinafter called "CHANNEL", located in the city of Perris. CHANNEL was constructed for the purpose of providing flood protection and drainage improvements to the area; and

B. DEVELOPER is the legal owner of record of certain real property, including Tract No. 30850, located within the County of Riverside. DEVELOPER has submitted for approval Tract No. 30850 located in the city of Perris. As a condition of approval for Tract No. 30850, DEVELOPER must widen DISTRICT’s existing CHANNEL and construct certain CHANNEL improvements between Orange Avenue and Sunset Avenue; and

C. The legal description of the CHANNEL within Tract No. 30850 is provided in Exhibit "A", attached hereto and made a part hereof; and

D. The required construction, as shown on District Drawing No. 4-0894, includes (i) widening of approximately 3,996 lineal feet of DISTRICT's CHANNEL, including regrading of the existing CHANNEL to centerline ("CHANNEL WIDENING"); (ii) riprap outlet structures, concrete aprons, riprap slope protections, access maintenance road with turnaround, fence and gates ("CHANNEL IMPROVEMENTS"); and (iii) construction of approximately fourteen (14) 48-inch storm drain connections ("STORM DRAIN JUNCTIONS") within
DISTRICT held easements or rights of way. Together, CHANNEL WIDENING, CHANNEL IMPROVEMENTS and STORM DRAIN JUNCTIONS are hereinafter called "DISTRICT FACILITIES" as shown in concept in blue on Exhibit "B", attached hereto and made a part hereof; and

E. Associated with the construction of DISTRICT FACILITIES is the construction of (i) three (3) flush basins ("BASINS"); and (ii) fourteen (14) 48-inch storm drain connections ("CONNECTIONS") located within CITY held easements or rights of way. CONNECTIONS terminate with a concrete bulkhead for future extension. BASINS and CONNECTIONS are hereinafter called ("CITY FACILITIES"), as provided in Exhibit "C", attached hereto and made a part hereof; and

F. Together, DISTRICT FACILITIES and CITY FACILITIES are called "PROJECT"; and

G. DISTRICT and CITY previously entered into a certain License Agreement executed on March 29, 2016 [DISTRICT's Board Agenda Item No. 11.3] providing for CITY to utilize portions of DISTRICT's existing CHANNEL as a dual use facility, providing certain non-motorized public recreational uses as part of the CITY's adopted Trails Master Plan ("TRAIL"). Portion of said TRAIL is proposed to be constructed in conjunction with PROJECT; and

H. Additional property will be dedicated to DISTRICT by CITY and DEVELOPER for DISTRICT's ownership, operation and maintenance of DISTRICT FACILITIES, hereinafter called "PROPOSED DISTRICT RIGHT OF WAY"; and

I. CHANNEL is an essential and integral part of DISTRICT's regional system of stormwater management infrastructure that provides critical flood control and drainage protection to the area. Therefore, construction and operation of PROJECT may be accommodated within the PROPOSED DISTRICT RIGHT OF WAY to the extent that such uses do not
unreasonably interfere with CHANNEL's principal function or DISTRICT's ability to operate and maintain CHANNEL; and

J. DEVELOPER and CITY desire DISTRICT to accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES. Therefore, DISTRICT must review and approve DEVELOPER's plans and specifications for PROJECT and subsequently inspect the construction of DISTRICT FACILITIES; and

K. DEVELOPER and DISTRICT desire CITY to accept ownership and responsibility for the operation and maintenance of CITY FACILITIES. Therefore, CITY must review and approve DEVELOPER's plans and specifications for PROJECT and subsequently inspect the construction of CITY FACILITIES; and

L. DISTRICT is willing to (i) allow DEVELOPER to construct, operate and maintain PROJECT within PROPOSED DISTRICT RIGHT OF WAY; (ii) review and approve DEVELOPER's plans and specifications for PROJECT; (iii) inspect the construction of DISTRICT FACILITIES; and (iv) accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, provided DEVELOPER (a) complies with this Agreement; (b) constructs PROJECT in accordance with DISTRICT and CITY approved plans and specifications; (c) obtains and conveys to DISTRICT all rights of way necessary for the inspection, operation and maintenance of DISTRICT FACILITIES as set forth herein; and (d) accepts ownership and responsibility for the operation and maintenance of PROJECT following completion of PROJECT construction until such time as DISTRICT accepts ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES; and

M. CITY is willing to (i) review and approve DEVELOPER's plans and specifications for PROJECT; (ii) inspect the construction of PROJECT; (iii) accept and hold faithful performance and payment bonds submitted by DEVELOPER for DISTRICT
FACILITIES; (iv) convey to DISTRICT all rights of way necessary for the operation and maintenance of DISTRICT FACILITIES as set forth herein; and (v) accept ownership and responsibility for the operation and maintenance of CITY FACILITIES, provided PROJECT is constructed in accordance with plans and specifications approved by DISTRICT and CITY.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION I

DEVELOPER shall:

1. Prepare PROJECT plans and specifications, hereinafter called "IMPROVEMENT PLANS", in accordance with applicable DISTRICT and CITY standards and submit to DISTRICT and CITY for their respective review and approval.

2. Continue to pay DISTRICT, within thirty (30) days after receipt of periodic billings from DISTRICT, any and all such amounts as are deemed reasonably necessary by DISTRICT to cover DISTRICT's costs associated with the review of IMPROVEMENT PLANS, review and approval of rights of way and conveyance documents, and with the processing and administration of this Agreement.

3. Deposit with DISTRICT (Attention: Business Office - Accounts Receivable), at the time of providing written notice to DISTRICT of the start of PROJECT construction as set forth in Section I.8. herein, the estimated cost of providing construction inspection for DISTRICT FACILITIES in an amount as determined and approved by DISTRICT in accordance with Ordinance Nos. 671 and 749 of the County of Riverside, including any amendments thereto, based upon the bonded value of DISTRICT FACILITIES.

4. Secure, at its sole cost and expense, all necessary licenses, agreements, permits and rights of entry as may be needed for the construction, inspection, operation and maintenance of PROJECT. DEVELOPER shall furnish DISTRICT and CITY, at the time of
providing written notice to DISTRICT of the start of construction as set forth in Section 1.8, or not less than twenty (20) days prior to recordation of the final map for Tract No. 30850 or any phase thereof, whichever occurs first, with sufficient evidence of DEVELOPER having secured such necessary licenses, agreements, permits and rights of entry as determined and approved by DISTRICT and/or CITY, as appropriate.

5. Prior to commencing PROJECT construction, furnish DISTRICT and CITY with copies of all permits, approvals or agreements required by any federal, state or local resource and/or regulatory agency for the construction, operation and maintenance of PROJECT. Such documents include but are not limited to those issued by the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, California State Department of Fish and Wildlife, State Water Resources Control Board and Western Riverside County Regional Conservation Authority ("REGULATORY PERMITS").

6. Grant DISTRICT and CITY, by execution of this Agreement, the right to enter upon DEVELOPER's property where necessary and convenient for the purpose of gaining access to and performing inspection service for the construction of PROJECT as set forth herein.

7. Provide CITY, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section 1.8, with faithful performance and payment bonds, each in the amount of one hundred percent (100%) of the estimated cost for construction of DISTRICT FACILITIES as determined by DISTRICT. The surety, amount and form of the bonds shall be subject to the approval of DISTRICT and CITY. The bonds shall remain in full force and effect until DISTRICT FACILITIES are accepted by DISTRICT and CITY as complete. At which time, the bond amount may be reduced to five percent (5%) for a period of one (1) year to guarantee against any defective work, labor or materials.
8. Notify DISTRICT in writing (Attention: Contract Services Section) at least twenty (20) days prior to the start of construction of PROJECT. Construction shall not begin on any element of PROJECT for any reason whatsoever until DISTRICT has issued to DEVELOPER a written Notice to Proceed authorizing DEVELOPER to commence construction of PROJECT.

9. Obtain and provide DISTRICT (Attention: Right of Way Acquisition Section), at the time of providing written notice to DISTRICT of the start of construction as set forth in Section 1.8., with duly executed Irrevocable Offer(s) of Dedication to the public for flood control and drainage purposes, including ingress and egress, for the rights of way deemed necessary by DISTRICT for the construction, inspection, operation and maintenance of DISTRICT FACILITIES. The Irrevocable Offer(s) of Dedication shall be in a form approved by DISTRICT and shall be executed by all legal and equitable owners of the property described in the offer(s).

10. Furnish DISTRICT, when submitting the Irrevocable Offer(s) of Dedication as set forth in Section 1.9, with Preliminary Reports on Title dated not more than thirty (30) days prior to date of submission of all the property described in the Irrevocable Offer(s) of Dedication.

11. Furnish DISTRICT and CITY, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section 1.8., with a complete list of all contractors and subcontractors to be performing work on PROJECT, including the corresponding license number and license classification of each. At such time, DEVELOPER shall further identify in writing its designated superintendent for PROJECT construction.

12. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section 1.8., a construction schedule which shall show the order and dates in which DEVELOPER or DEVELOPER's contractor proposes to carry out the various parts of work, including estimated start and completion dates. As construction of
PROJECT progress. DEVELOPER shall update said construction schedule as requested by DISTRICT.

13. Furnish DISTRICT and CITY each with a set of final mylar plans for PROJECT and assign their ownership to DISTRICT and CITY, respectively, prior to the start on any portion of PROJECT construction.

14. Not permit any change to or modification of DISTRICT and CITY approved IMPROVEMENT PLANS without the prior written permission and consent of DISTRICT and CITY.

15. Comply with all Cal/OSHA safety regulations. including regulations concerning confined space and maintain a safe working environment for DEVELOPER, DISTRICT and CITY employees on the site.

16. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section 1.8., a confined space entry procedure specific to PROJECT. The procedure shall comply with requirements contained in California Code of Regulations, Title 8 Section 5158, Other Confined Space Operations, Section 5157. Permit Required Confined Space, and District Confined Space Procedures, SOM-18. The procedure shall be reviewed and approved by DISTRICT prior to the issuance of a Notice to Proceed.

17. DEVELOPER shall not commence operations until DISTRICT has been furnished with original certificate(s) of insurance and original certified copies of endorsements and, if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section.

Without limiting or diminishing DEVELOPER's obligation to indemnify or hold DISTRICT harmless, DEVELOPER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement:
A. **Workers' Compensation:**

If DEVELOPER has employees as defined by the State of California, DEVELOPER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of DISTRICT, the County of Riverside and CITY.

B. **Commercial General Liability:**

Commercial General Liability insurance coverage including but not limited to premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury and cross liability coverage, covering claims which may arise from or out of DEVELOPER's performance of its obligations hereunder. Policy shall name the DISTRICT, the County of Riverside and CITY, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds. Policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. **Vehicle Liability:**
If DEVELOPER's vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then DEVELOPER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name the DISTRICT, the County of Riverside and CITY, its agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds.

D. Professional Liability:

DEVELOPER shall cause any architect or engineer retained by DEVELOPER in connection with the performance of DEVELOPER's obligations under this Agreement to maintain Professional Liability Insurance providing coverage for the performance of their work, with a limit of liability of not less than $2,000,000 per occurrence and $4,000,000 annual aggregate. DEVELOPER shall require that, if such Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and that such architect or engineer shall purchase at such architect or engineer's sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back
to the date of or prior to the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that such architect or engineer has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2) or 3) shall continue for the term specified in the insurance policy, which shall be reasonably acceptable to the DISTRICT and CITY.

E. General Insurance Provisions – All Lines:

i. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII (A: 8) unless such requirements are waived, in writing, by the County Risk Manager. If the County Risk Manager waives a requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term.

ii. The DEVELOPER must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds $500,000 per occurrence, each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to the DISTRICT and at the election of the County Risk Manager, DEVELOPER's carriers shall either 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT; or 2) procure a bond which
guarantees payment of losses and related investigations, claims administration and defense costs and expenses.

iii. DEVELOPER shall cause their insurance carrier(s) or its contractor's insurance carrier(s), to furnish DISTRICT with 1) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; and 2) if requested to do so orally or in writing by the County Risk Manager, provide original certified copies of policies including all endorsements and all attachments thereto showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the DISTRICT prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If DEVELOPER insurance carrier(s) policies do not meet the minimum notice requirement found herein, DEVELOPER shall cause DEVELOPER's insurance carrier(s) to furnish a 30-day Notice of Cancellation Endorsement. In the event of a material modification, cancellation, expiration or reduction in coverage, this Agreement shall terminate forthwith unless DISTRICT receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including
all endorsements and attachments thereto, evidencing coverages set forth herein and the insurance required herein is in full force and effect. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

iv. It is understood and agreed by the parties hereto that DEVELOPER's insurance shall be construed as primary insurance, and DISTRICT's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

v. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.) or the term of this Agreement, including any extensions thereof, exceeds five (5) years. DISTRICT reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by DEVELOPER has become inadequate.
vi. DEVELOPER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

vii. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.

viii. DEVELOPER agrees to notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

Failure to maintain the insurance required by this paragraph shall be deemed a material breach of this Agreement and shall authorize and constitute authority for DISTRICT, at its sole discretion, to provide written notice to DEVELOPER that DISTRICT is unable to perform its obligations hereunder nor accept responsibility for ownership, operation and maintenance of DISTRICT FACILITIES due, either in whole or in part, to said breach of this Agreement.

18. Construct or cause to be constructed PROJECT at DEVELOPER's sole cost and expense in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

19. Within two (2) weeks of completing PROJECT construction, provide DISTRICT with written notice (Attention: Construction Management Section) and CITY that PROJECT construction is substantially complete and request that DISTRICT conduct a final inspection of DISTRICT FACILITIES and CITY conduct a final inspection of CITY FACILITIES.

20. Accept ownership and sole responsibility for the operation and maintenance of PROJECT until such time as (i) DISTRICT's acceptance of DISTRICT FACILITIES
construction as being complete; and (ii) CITY accepts ownership and responsibility for the operation and maintenance of CITY FACILITIES.

21. Upon completion of PROJECT construction but prior to DISTRICT's acceptance of ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, provide or cause its civil engineer of record or construction civil engineer of record, duly registered in the State of California, to provide DISTRICT with redlined "record drawings" of DISTRICT FACILITIES plans. After DISTRICT approval of the redlined "record drawings", DEVELOPER's engineer shall schedule with DISTRICT a time to transfer the redlined changes onto DISTRICT's original mylars at DISTRICT's office, after which the engineer shall review, stamp and sign the DISTRICT FACILITIES plans "record drawings".

22. Upon completion of PROJECT construction and upon acceptance by CITY of all rights of way deemed necessary by DISTRICT and CITY for the operation and maintenance of DISTRICT FACILITIES and CITY FACILITIES, but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, convey or cause to be conveyed to DISTRICT the flood control easement(s), including ingress and egress, for the rights of way deemed necessary by DISTRICT for the operation and maintenance of DISTRICT FACILITIES, in a form approved by DISTRICT, for the rights of way as shown in concept cross-hatched in blue on Exhibit "D", attached hereto and made a part hereof. The easement(s) or grant deed(s) shall be in a form approved by both DISTRICT and CITY and shall be executed by all legal and equitable owners of the property described in the easement(s) or grant deed(s).

23. At the time of recordation of the conveyance document(s), as set forth in Section 1.22., furnish DISTRICT with policies of title insurance, each in the amount of not less than fifty percent (50%) of the estimated fee value, as determined by DISTRICT, for each easement parcel to be conveyed to DISTRICT, guaranteeing DISTRICT'S interest in said property.
as being free and clear of all liens, encumbrances, assessments, easements, taxes and leases (recorded or unrecorded), except those which, in the sole discretion of DISTRICT, are deemed acceptable.

24. Pay, if suit is brought upon this Agreement or any bond guaranteeing the completion of PROJECT, all costs and reasonable expenses and fees, including reasonable attorneys' fees, and acknowledge that, upon entry of judgment, all such costs, expenses and fees shall be computed as costs and included in any judgment rendered.

25. Ensure that all work performed pursuant to this Agreement by DEVELOPER, its agents or contractors is done in accordance with all applicable laws and regulations including but not limited to all applicable provisions of the Labor Code, Business and Professions Code and Water Code. DEVELOPER shall be solely responsible for all costs associated with compliance with applicable laws and regulations.

SECTION II

DISTRICT shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.

2. Provide CITY an opportunity to review and approve IMPROVEMENT PLANS prior to DISTRICT's final approval.

3. Upon execution of this Agreement, record or cause to be recorded a copy of this Agreement in the Official Records of the Riverside County Recorder.

4. Record or cause to be recorded the Irrevocable Offer(s) of Dedication provided by DEVELOPER pursuant to Section 1.9. herein.

5. Inspect DISTRICT FACILITIES construction.
6. Keep an accurate accounting of all DISTRICT costs associated with the review and approval of IMPROVEMENT PLANS, the review and approval of right of way and conveyance documents, and the processing and administration of this Agreement.

7. Keep an accurate accounting of all DISTRICT construction inspection costs and, within forty-five (45) days after DISTRICT acceptance of DISTRICT FACILITIES as being complete, submit a final cost statement to DEVELOPER. If the deposit, as set forth in Section 1.3., exceeds such costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) days after DISTRICT acceptance of DISTRICT FACILITIES as being complete. If at any time the costs exceed the deposit or are anticipated by DISTRICT to exceed the deposit with DISTRICT, DEVELOPER shall pay such additional amount(s) as deemed reasonably necessary by DISTRICT to complete inspection of DISTRICT FACILITIES within thirty (30) days after receipt of billing from DISTRICT.

8. Accept ownership and sole responsibility for the operation and maintenance of DISTRICT FACILITIES upon (i) DISTRICT inspection of DISTRICT FACILITIES in accordance with Section 1.19.; (ii) DISTRICT acceptance of DISTRICT FACILITIES construction as being complete; (iii) DISTRICT receipt of stamped and signed "record drawings" of PROJECT plans, as set forth in Section 1.21.; (iv) recordation of all conveyance documents described in Section 1.22.; (v) CITY acceptance of CITY FACILITIES for ownership, operation and maintenance; (vi) DISTRICT’s sole determination that DISTRICT FACILITIES are in a satisfactorily maintained condition; and (vii) DISTRICT’s sole determination that CHANNEL and DISTRICT FACILITIES are fully functioning as a flood control drainage system.

9. Provide CITY with a reproducible duplicate copy of "record drawings" PROJECT plans upon DISTRICT acceptance of DISTRICT FACILITIES as being complete.
SECTION III

CITY shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.

2. Accept CITY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER, as set forth in Section 1.8., and hold said bonds as provided herein.

3. Inspect PROJECT construction.

4. Consent by execution of this Cooperative Agreement, to the recording of any Irrevocable Offer(s) of Dedication furnished by DEVELOPER pursuant to this Cooperative Agreement.

5. Upon completion of PROJECT construction and upon acceptance by DISTRICT and CITY for the operation and maintenance of DISTRICT FACILITIES and CITY FACILITIES, but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, convey or cause to be conveyed to DISTRICT the flood control easement(s), including ingress and egress, for the rights of way deemed necessary by DISTRICT for the operation and maintenance of DISTRICT FACILITIES. The easement(s) or grant deed(s) shall be in a form approved by both DISTRICT and CITY and shall be executed by all legal and equitable owners of the property described in the easement(s) or grant deed(s).

6. Accept ownership and sole responsibility for the operation and maintenance of CITY FACILITIES upon DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance.

SECTION IV

It is further mutually agreed:
1. TRAIL shall, at all times, remain sole ownership and exclusive responsibility of CITY. Nothing herein shall be construed as creating any obligation or responsibility on the part of DISTRICT to operate, maintain or warranty TRAIL.

2. All work involved with PROJECT shall be inspected by DISTRICT and CITY but shall not be deemed complete until DISTRICT and CITY mutually agree in writing that construction is completed in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

3. CITY and DEVELOPER personnel may observe and inspect all work being done on DISTRICT FACILITIES, but shall provide any comments to DISTRICT personnel who shall be solely responsible for all quality control communications with DEVELOPER's contractor(s) during the construction of PROJECT.

4. Prior to DISTRICT’s acceptance of ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES from DEVELOPER, DISTRICT FACILITIES shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, in the sole discretion of DISTRICT, DISTRICT FACILITIES are not in acceptable condition, corrections shall be at DEVELOPER's sole expense.

5. DEVELOPER shall commence construction of PROJECT within twelve (12) consecutive months after execution of this Agreement and shall complete construction within one hundred twenty (120) consecutive calendar days after commencing work on PROJECT. It is expressly understood that since time is of the essence in this Agreement, failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority for DISTRICT to perform the remaining work and require DEVELOPER's surety to surrender the letters of credit or cash to DISTRICT.
6. If DEVELOPER fails to commence construction of PROJECT within nine (9) months after execution of this Agreement, then DISTRICT reserves the right to withhold issuance of the Notice to Proceed pending a review of the existing site conditions as they exist at the time DEVELOPER provides written notification to DISTRICT of the start of construction as set forth in Section 1.8. In the event of a change in the existing site conditions that materially affects PROJECT function or DISTRICT's ability to operate and maintain DISTRICT FACILITIES, DISTRICT may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by DISTRICT.

7. DISTRICT shall endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) days of receipt of DEVELOPER's complete written notice as set forth in Section 1.8.; however, DISTRICT's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

In the event DEVELOPER wishes to expedite issuance of a Notice to Proceed, DEVELOPER may elect to furnish an independent qualified construction inspector at DEVELOPER's sole cost and expense. DEVELOPER shall furnish appropriate documentation of the individual's credentials and experience to DISTRICT for review and, if appropriate, approval. DISTRICT shall review the individual's qualifications and experience and, upon approval thereof, said individual, hereinafter called "DEPUTY INSPECTOR", shall be authorized to act on DISTRICT's behalf on all DISTRICT FACILITIES construction and quality control matters. If DEVELOPER's initial construction inspection deposit furnished pursuant to Section 1.3. exceeds ten thousand dollars ($10,000), DISTRICT shall refund to DEVELOPER up to eighty percent (80%) of DEVELOPER's initial inspection deposit within forty-five (45) days of DISTRICT's approval of DEPUTY INSPECTOR; however, a minimum balance of ten thousand dollars ($10,000) shall be retained on account.
8. PROJECT construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays or DISTRICT designated legal holidays unless otherwise approved in writing by DISTRICT. If DEVELOPER feels it is necessary to work more than the normal forty (40) hour work week or on holidays, DEVELOPER shall make a written request for permission from DISTRICT to work the additional hours. The request shall be submitted to DISTRICT at least seventy-two (72) hours prior to the requested additional work hours and state the reasons for the overtime and the specific time frames required. The decision of granting permission for overtime work shall be made by DISTRICT, at its sole discretion, and shall be final. If permission is granted by DISTRICT, DEVELOPER will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County of Riverside.

9. DEVELOPER shall indemnify and hold harmless DISTRICT, County of Riverside and CITY (including their agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) from any liability, claim, damage, proceeding or action, present or future, based upon, arising out of or in any way relating to DEVELOPER's (including its officers, employees, subcontractors and agents) actual or alleged acts or omissions related to this Agreement, performance under this Agreement or failure to comply with the requirements of this Agreement, including but not limited to (a) property damage; (b) bodily injury or death; (c) liability or damage pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution or any other law, ordinance or regulation caused by the diversion of waters from the natural drainage patterns or the discharge of drainage within or from PROJECT; or (d) any other element of any kind or nature whatsoever.
DEVELOPER shall defend, at its sole expense, including all costs and fees (including but not limited to attorney fees, cost of investigation, defense and settlements or awards), DISTRICT, County of Riverside and CITY (including their agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) in any claim, proceeding or action for which indemnification is required.

With respect to any of DEVELOPER's indemnification requirements, DEVELOPER shall, at its sole cost, have the right to use counsel of their own choice and shall have the limited right to adjust, settle or compromise any such claim, proceeding or action without the prior consent of DISTRICT, County of Riverside and CITY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes DEVELOPER's indemnification obligations to DISTRICT, County of Riverside or CITY.

Developer shall have the right to adjust, settle or compromise any claim for personal injuries or property damages where the plaintiff only receives monetary damages and there is no statement or recognition of DISTRICT, County of Riverside or CITY liability for said damages. DISTRICT, County of Riverside or CITY, as respects the claims against them, shall be entitled to consent to any adjustment, settlement or compromise of any claim relating to liability or damage pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution or any other law, ordinance or regulation caused by the diversion of waters from natural drainage patterns or the discharge of drainage within or from PROJECT or any adjustment, settlement or compromise involving obligations by DISTRICT, County of Riverside or CITY for future maintenance, reconstruction or actions by DISTRICT or CITY.

DEVELOPER's indemnification obligations shall be satisfied when DEVELOPER has provided to DISTRICT and CITY the appropriate form of dismissal relieving
DISTRICT, County of Riverside or CITY from any liability for the claim, proceeding or action involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe DEVELOPER's obligations to indemnify and hold harmless DISTRICT, County of Riverside and CITY from third party claims.

In the event there is conflict between this section and California Civil Code Section 2782, this section shall be interpreted to comply with Civil Code Section 2782. Such interpretation shall not relieve DEVELOPER from indemnifying DISTRICT, County of Riverside or CITY to the fullest extent allowed by law.

10. Any waiver by DISTRICT or by CITY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of DISTRICT or CITY to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof or estopping DISTRICT or CITY from enforcement hereof.

11. This Agreement is to be construed in accordance with the laws of the State of California.

12. Any and all notices sent or required to be sent to the parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501

CITY OF PERRIS
24 South D Street, Suite 100
Perris, CA 92570
Attn: Habib Motlagh
13. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by the Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

14. This Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared as a matter of convenience by DISTRICT shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT prepared this Agreement in its final form.

15. The rights and obligations of DEVELOPER shall inure to and be binding upon all heirs, successors and assignees.

16. DEVELOPER shall not assign or otherwise transfer any of its rights, duties or obligations hereunder to any person or entity without the written consent of the other parties hereto being first obtained. In the event of any such transfer or assignment, DEVELOPER expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Agreement.

17. The individual(s) executing this Agreement on behalf of DEVELOPER certify that they have the authority within their respective company(ies) to enter into and execute this Agreement and have been authorized to do so by all boards of directors, legal counsel and/or any other board, committee or other entity within their respective company(ies) which have the authority to authorize or deny entering into this Agreement.
18. This Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the parties hereto.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By

JASON E. UHLEY
General Manager-Chief Engineer

By

MARION ASHLEY
Chairman, Riverside County Flood Control
and Water Conservation District Board of
Supervisors

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By

LEILA MOSHREF-DANESH
Deputy County Counsel

By

Deputy

(SEAL)

Cooperative Agreement: City of Perris
Perris Valley Channel, Stage 3 (Tract No. 30850)
Project No. 4-0-00010
AMR:mcv
06/05/18
CITY OF PERRIS

By __________________________  
RICHARD BELMUDEZ  
City Manager

APPROVED AS TO FORM:

By __________________________  
ERIC DUNN  
City Attorney

ATTEST:

By __________________________  
NANCY SALAZAR  
City Clerk

(SEAL)

Cooperative Agreement: City of Perris  
Perris Valley Channel, Stage 3 (Tract No. 30850)  
Project No. 4-0-00010  
AMR: mev  
06/05/18
CENTEX HOMES  
a Nevada general partnership  

By: Centex Real Estate Company, LLC  
a Nevada limited liability company  
its Managing Partner  

By  
DARREN WARREN  
Vice President of Land Acquisition  
and Development  

(ATTACH NOTARY WITH CAPACITY STATEMENT)
Exhibit A

LEGAL DESCRIPTION

DISTRICT FACILITIES

Real property in the City of Perris, County of Riverside, State of California, described as follows:

OF TRACT NO. IN THE CITY OF PERRIS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 420, PAGES – THRU – OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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**Exhibit C**

**LEGAL DESCRIPTION**

**CITY FACILITIES**

Real property in the City of Perris, County of Riverside, State of California, described as follows:

OF TRACT NO., IN THE CITY OF PERRIS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 420, PAGES – THROUGH – OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

June 6, 2018

Mr. Habib Motlagh
City of Perris
101 N. D Street
Perris, CA 92570

Dear Mr. Motlagh:

Re: Perris Valley MDP Lateral B-5, Stage 2
(Parcel Map No. 36678)
Project No. 4-0-00461
Cooperative Agreement

Enclosed are fully executed originals of the above-referenced Cooperative Agreement between the District and the City of Perris for your files.

Thank you for your assistance in the above matter and should you have any questions, please do not hesitate to call Toni Irvin at 951.955.2878 or me at 951.955.1282.

Very truly yours,

Julianne Adams

JULIANNA ADAMS, MPA, PE
Senior Civil Engineer

Enclosures

cc: Sharon Johnson
Cassandra Sanchez
Andy Leung
David Garcia
Ami Urista
Toni Irvin

TRI:blm
P8/221278
COOPERATIVE AGREEMENT
Perris Valley MDP Lateral B-5, Stage 2
Project No. 4-0-00461
(Parcel Map No. 36678)

The Riverside County Flood Control and Water Conservation District, a body politic, hereinafter called ("DISTRICT"), the City of Perris, a municipal corporation, hereinafter called ("CITY"), and CPT Perris Industrial LLC, a Delaware limited liability company hereinafter called ("DEVELOPER"), hereby agree as follows:

RECITALS

A. DEVELOPER is the legal owner of record of certain real property located within the County of Riverside. DEVELOPER has submitted for approval Parcel Map No. 36678 located in the city of Perris. As a condition of approval for Parcel Map No. 36678, DEVELOPER must construct certain flood control facilities in order to provide flood protection and drainage for DEVELOPER's planned development; and

B. The legal description of Parcel Map 36678 is provided in Exhibit "A" attached hereto and made a part hereof; and

C. The required flood control facilities, all as shown in District Drawing No. 4-1121, include construction of approximately 1,294 lineal feet of reinforced concrete box and 2,751 lineal feet of reinforced concrete pipe for a total of 4,045 lineal feet of underground storm drain system ("DISTRICT DRAINAGE FACILITIES"), as shown in concept in blue on Exhibit "B" attached hereto and made a part hereof. At its downstream terminus, DISTRICT DRAINAGE FACILITIES will drain into DISTRICT's existing Perris Valley MDP Lateral B-5, Stage 1, in Webster Avenue, as shown on District Drawing No. 4-1109 (also shown in concept in red on Exhibit "B"). DISTRICT DRAINAGE FACILITIES will continue southerly in Webster Avenue, then turn westerly in Markham Street, then turn northerly in Patterson Avenue. At its upstream terminus, DISTRICT DRAINAGE FACILITIES will connect to CITY maintained catch basin;
and

D. Associated with the construction of DISTRICT DRAINAGE FACILITIES is the construction of certain catch basins, outlets, inlets, concrete broad ditch, connector pipes, and various lateral storm drains that are thirty-six inches (36") or less in diameter that are located within CITY held easements or rights of way ("APPURTENANCES"); and

E. Together, DISTRICT DRAINAGE FACILITIES and APPURTENANCES are hereinafter called "PROJECT"; and

F. DISTRICT DRAINAGE FACILITIES includes a segment of DISTRICT's Perris Valley MDP Lateral B-5 ("ADP FACILITY"), which is an identified segment of CITY's Perris Valley Area Drainage Plan (ADP); and

G. The ADP Fee obligation for Parcel Map No. 36678 ("OBLIGATION") is calculated based on the current fee per acre as adopted by the Board of Supervisors at the time of issuance of building permits; and

H. All parties recognize and acknowledge that DISTRICT DRAINAGE FACILITIES will not be a fully functioning flood control system until such time as the construction of the Perris Valley MDP Lateral B-5, Stage 1, for the downstream terminus of Perris Valley MDP Lateral B-5, Stage 2 is completed and accepted by DISTRICT for ownership, operation and maintenance. Perris Valley MDP Lateral B-5, Stage 1 is hereinafter called ("ULTIMATE LATERAL"); and

I. CITY and DEVELOPER desire DISTRICT to ultimately accept ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES. Therefore, DISTRICT must review and approve DEVELOPER's plans and specifications for DISTRICT DRAINAGE FACILITIES and subsequently inspect the construction of DISTRICT DRAINAGE FACILITIES; and

J. DISTRICT and DEVELOPER desire CITY to accept ownership and
responsibility for the operation and maintenance of APPURTENANCES. Therefore, CITY must
review and approve DEVELOPER's plans and specifications for PROJECT and subsequently
inspect construction of APPURTENANCES; and

K. DISTRICT is willing to (i) review and approve DEVELOPER's plans and
specifications for PROJECT, (ii) inspect the construction of DISTRICT DRAINAGE
FACILITIES, and (iii) ultimately assume ownership and responsibility for the operation and
maintenance of DISTRICT DRAINAGE FACILITIES, provided that DEVELOPER (a) complies
with this Agreement, (b) constructs PROJECT in accordance with DISTRICT and CITY approved
plans and specifications, (c) obtains and conveys to DISTRICT all rights of way necessary for the
inspection, operation and maintenance of DISTRICT DRAINAGE FACILITIES and (d) accepts
ownership and responsibility for the operation and maintenance of PROJECT following
completion of PROJECT construction until such time as DISTRICT accepts ownership and
responsibility for the operation and maintenance of ULTIMATE LATERAL and DISTRICT
DRAINAGE FACILITIES; and

L. CITY is willing to (i) review and approve DEVELOPER's plans and
specifications for PROJECT, (ii) inspect the construction of PROJECT, (iii) accept and hold
faithful performance and payment bonds submitted by DEVELOPER for DISTRICT
DRAINAGE FACILITIES, (iv) grant DISTRICT the right to inspect, operate and maintain
DISTRICT DRAINAGE FACILITIES located within CITY rights of way, (v) convey to
DISTRICT all rights of way necessary for the inspection, operation and maintenance of
DISTRICT DRAINAGE FACILITIES as set forth herein, (vi) assume ownership and
responsibility for the operation and maintenance of APPURTENANCES upon completion of
PROJECT construction, and (vii) accept ownership and responsibility for the operation and
maintenance of APPURTENANCES, provided PROJECT is constructed in accordance with plans
and specifications approved by DISTRICT and CITY.
NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION I

DEVELOPER shall:

1. Prepare PROJECT plans and specifications hereinafter called "IMPROVEMENT PLANS", in accordance with applicable DISTRICT and CITY standards, and submit to DISTRICT and CITY for their respective review and approval.

2. Continue to pay DISTRICT, within thirty (30) days after receipt of periodic billings from DISTRICT, any and all such amounts as are deemed reasonably necessary by DISTRICT to cover DISTRICT's costs associated with the review of IMPROVEMENT PLANS, review and approval of right of way and conveyance documents, and with the processing and administration of this Agreement.

3. Deposit with DISTRICT (Attention: Finance Office - Accounts Receivable), at the time of providing written notice to DISTRICT of the start of PROJECT construction as set forth in Section 1.8. herein, the estimated cost of providing construction inspection for DISTRICT DRAINAGE FACILITIES in an amount as determined and approved by DISTRICT in accordance with Ordinance Nos. 671 and 749 of the County of Riverside, including any amendments thereto, based upon the bonded value of DISTRICT DRAINAGE FACILITIES. If at any time the costs exceed the deposit or are anticipated by DISTRICT to exceed the deposit with DISTRICT, DEVELOPER shall pay such additional amounts(s), as deemed reasonably necessary by DISTRICT to complete inspection of DISTRICT DRAINAGE FACILITIES, within thirty (30) days after receipt of billing from DISTRICT.

4. Grant DISTRICT and CITY, by execution of this Cooperative Agreement, the right to enter upon DEVELOPER's property where necessary and convenient for the purpose of gaining access to and performing inspection service for the construction of PROJECT as set forth herein.
5. Secure, at its sole cost and expense, all necessary licenses, agreements, permits, approvals, rights of way, rights of entry, and temporary construction easements as may be needed for the construction, inspection, operation, and maintenance of PROJECT. DEVELOPER shall furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., with sufficient evidence of DEVELOPER having secured such necessary licenses, agreements, permits, approvals, rights of way, rights of entry, and temporary construction easements as determined and approved by DISTRICT and CITY.

6. Prior to commencing PROJECT construction, furnish DISTRICT and CITY with copies of all permits, approvals or agreements required by any federal, state or local resource and/or regulatory agency for the construction, operation, and maintenance of PROJECT. Such documents include but are not limited to those issued by the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, California Department of Fish and Wildlife, California State Water Resources Control Board, and Western Riverside County Regional Conservation Authority ("REGULATORY PERMITS").

7. Provide CITY, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., with faithful performance and payment bonds, each in the amount of one hundred percent (100%) of the estimated cost for construction of DISTRICT DRAINAGE FACILITIES as determined by DISTRICT. The surety, amount and form of the bonds shall be subject to the approval of DISTRICT and CITY. The bonds shall remain in full force and effect until DISTRICT DRAINAGE FACILITIES are accepted by DISTRICT and CITY as complete; at which time, the bond amount may be reduced to five percent (5%) for a period of one (1) year to guarantee against any defective work, labor, or materials.

8. Notify DISTRICT in writing (Attention: Contract Services Section) at least twenty (20) days prior to the start of construction of PROJECT. Construction shall not begin on
any element of PROJECT, for any reason whatsoever, until DISTRICT has issued to
DEVELOPER a written Notice to Proceed authorizing DEVELOPER to commence construction
of PROJECT.

9. Obtain and provide DISTRICT (Attention: Right of Way Acquisition
Section), at the time of providing written notice to DISTRICT of the start of construction as set
forth in Section I.8., with duly executed Irrevocable Offer(s) of Dedication to the public for flood
control and drainage purposes, including ingress and egress, for the rights of way deemed
necessary by DISTRICT for the construction, inspection, operation, and maintenance of
DISTRICT DRAINAGE FACILITIES. The Irrevocable Offer(s) of Dedication shall be in a form
approved by DISTRICT and shall be executed by all legal and equitable owners of the property
described in the offer(s).

10. Furnish DISTRICT, when submitting the Irrevocable Offer(s) of Dedication
as set forth in Section I.9., with Preliminary Reports on Title dated not more than thirty (30) days
prior to date of submission of all the property described in the Irrevocable Offer(s) of Dedication.

11. Furnish DISTRICT, at the time of providing written notice to DISTRICT of
the start of construction as set forth in Section I.8., with a complete list of all contractors and
subcontractors to be performing work on PROJECT, including the corresponding license number
and license classification of each. At such time, DEVELOPER shall further identify in writing
its designated superintendent for PROJECT construction.

12. Furnish DISTRICT, at the time of providing written notice to DISTRICT of
the start of construction as set forth in Section I.8., a construction schedule which shall show the
order and dates in which DEVELOPER or DEVELOPER’s contractor proposes to carry out the
various parts of work, including estimated start and completion dates. As construction of
PROJECT progresses, DEVELOPER shall update said construction schedule as requested by
DISTRICT.
13. Furnish DISTRICT and CITY each with a set of final mylar PROJECT plans and assign their ownership to DISTRICT and CITY, respectively, prior to the start on any portion of PROJECT construction.

14. Not permit any change to or modification of DISTRICT and CITY approved IMPROVEMENT PLANS without the prior written permission and consent of DISTRICT and CITY.

15. Comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintain a safe working environment for DEVELOPER, DISTRICT, and CITY employees on the site.

16. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section 1.8., with a confined space entry procedure specific to PROJECT. The procedure shall comply with requirements contained in California Code of Regulations, Title 8 Section 5158, Other Confined Space Operations, Section 5157, Permit Required Confined Space and District Confined Space Procedures, SOM-18. The procedure shall be reviewed and approved by DISTRICT prior to the issuance of a Notice to Proceed.

17. DEVELOPER shall not commence operations until DISTRICT has been furnished with original certificate(s) of insurance and original certified copies of endorsements and, if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section.

Without limiting or diminishing DEVELOPER's obligation to indemnify or hold DISTRICT and CITY harmless, DEVELOPER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement:

A. Workers' Compensation:
If DEVELOPER has employees as defined by the State of California, DEVELOPER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of DISTRICT, the County of Riverside and CITY.

B. Commercial General Liability:

Commercial General Liability insurance coverage including, but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of DEVELOPER's performance of its obligations hereunder. Policy shall name DISTRICT, the County of Riverside, and CITY, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds. Policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If DEVELOPER's vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then DEVELOPER shall maintain liability insurance for all owned, non-
owned, or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name DISTRICT, the County of Riverside, and CITY, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds.

D. Professional Liability:

DEVELOPER shall maintain Professional Liability Insurance providing coverage for DEVELOPER's performance of work included within this Agreement with a limit of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate. If DEVELOPER's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and DEVELOPER shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage), or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement, or 3) demonstrate through Certificates of Insurance that DEVELOPER has maintained continuous coverage with the same or original insurer. Coverage provided under items: 1), 2), or 3) will continue as long as the law allows.

E. General Insurance Provisions - All Lines:
i. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A:VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

ii. DEVELOPER must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds $500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to DISTRICT, and at the election of the County Risk Manager, DEVELOPER's carriers shall either 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

iii. DEVELOPER shall cause their insurance carrier(s) or its contractor's insurance carrier(s) to furnish DISTRICT with 1) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original certified copies of policies
including all endorsements and all attachments thereto showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to DISTRICT prior to any material modification, cancellation, expiration, or reduction in coverage of such insurance. If DEVELOPER insurance carrier(s) policies does not meet the minimum notice requirement found herein, DEVELOPER shall cause DEVELOPER's insurance carrier(s) to furnish a 30-day Notice of Cancellation Endorsement. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith unless DISTRICT receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto, evidencing coverages set forth herein and the insurance required herein is in full force and effect. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

iv. It is understood and agreed by the parties hereto that DEVELOPER's insurance shall be construed as primary insurance and DISTRICT's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
v. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.), or the term of this Agreement, including any extensions thereof, exceeds five (5) years, DISTRICT reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by DEVELOPER has become inadequate.

vi. DEVELOPER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

vii. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.

viii. DEVELOPER agrees to notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

Failure to maintain the insurance required by this paragraph shall be deemed a material breach of this Agreement and shall authorize and constitute authority for DISTRICT, at its sole discretion, to provide written notice to DEVELOPER that DISTRICT is unable to perform its obligations hereunder, nor to accept responsibility for ownership, operation, and maintenance of DISTRICT DRAINAGE FACILITIES due, either in whole or in part, to said breach of this Agreement.
18. Construct or cause to be constructed PROJECT at DEVELOPER’s sole cost and expense in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

19. Within two (2) weeks of completing PROJECT construction, provide DISTRICT (Attention: Development Review Section) and CITY with written notice that PROJECT construction is substantially complete and request that DISTRICT conduct a final inspection of DISTRICT DRAINAGE FACILITIES and CITY conduct a final inspection of PROJECT.

20. Accept ownership and sole responsibility for the operation and maintenance of PROJECT until such time as DISTRICT accepts ownership and responsibility for operation and maintenance of DISTRICT DRAINAGE FACILITIES and CITY accepts ownership and responsibility for the operation and maintenance of APPURTENANCES. Further, it is mutually understood by the parties hereto that prior to DISTRICT acceptance of ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES, DISTRICT DRAINAGE FACILITIES shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, subsequent to the inspection and in the sole discretion of DISTRICT, DISTRICT DRAINAGE FACILITIES are not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER.

21. Upon completion of PROJECT construction but prior to DISTRICT’s acceptance of ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES, provide or cause its civil engineer of record or construction civil engineer of record, duly registered in the State of California, to provide DISTRICT with redlined "record drawings" of DISTRICT DRAINAGE FACILITIES plans. After DISTRICT approval of the redlined "record drawings", DEVELOPER's engineer shall schedule with DISTRICT a time to transfer the redlined changes onto DISTRICT's original mylars at DISTRICT's office; after
which, the engineer shall review, stamp, and sign DISTRICT DRAINAGE FACILITIES plans "record drawings".

22. Upon completion of PROJECT construction and upon acceptance by CITY of all rights of way deemed necessary by DISTRICT and CITY for the operation and maintenance of PROJECT but prior to DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES for ownership, operation, and maintenance, convey or cause to be conveyed to CITY the flood control easement(s) or grant deed(s) of fee title, where appropriate, for the rights of way as shown in concept in red on Exhibit "C". The easement(s) or grant deed(s) shall be in a form approved by both DISTRICT and CITY and shall be executed by all legal and equitable owners of the property described in the easement(s) or grant deed(s).

23. At the time of recordation of the conveyance document(s) as set forth in Section I.22., furnish CITY with policies of title insurance, each in the amount of not less than (i) fifty percent (50%) of the estimated fee value, as determined by DISTRICT and CITY, for each easement parcel to be conveyed to CITY, or (ii) one hundred percent (100%) of the estimated value, as determined by DISTRICT and CITY, for each fee parcel to be conveyed to CITY, guaranteeing CITY's interest in said property as being free and clear of all liens, encumbrances, assessments, easements, taxes, and leases (recorded or unrecorded), and except those which, in the sole discretion of DISTRICT and CITY, are acceptable.

24. Pay, if suit is brought upon this Agreement or any bond guaranteeing the completion of PROJECT, all costs and reasonable expenses and fees, including reasonable attorneys' fees, and acknowledge that, upon entry of judgment, all such costs, expenses, and fees shall be computed as costs and included in any judgment rendered.

25. Ensure that all work performed pursuant to this Cooperative Agreement by DEVELOPER, its agents, or contractors is done in accordance with all applicable laws and regulations including, but not limited to, all applicable provisions of the Labor Code, Business
and Professions Code, and Water Code. DEVELOPER shall be solely responsible for all costs associated with compliance with applicable laws and regulations.

SECTION II

CITY shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.

2. Accept CITY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER, as set forth in Section 1.7., and hold said bonds as provided herein.

3. Inspect PROJECT construction.

4. Consent, by execution of this Cooperative Agreement, to the recording of any Irrevocable Offer(s) of Dedication furnished by DEVELOPER pursuant to this Agreement.

5. As requested by DISTRICT, accept the Irrevocable Offer(s) of Dedication as set forth herein, and any other outstanding offers of dedication necessary for the construction, inspection, operation, and maintenance of DISTRICT DRAINAGE FACILITIES, and convey sufficient rights of way to DISTRICT to allow DISTRICT to construct, inspect, operate, and maintain DISTRICT DRAINAGE FACILITIES.

6. Grant DISTRICT, by execution of this Cooperative Agreement, the right to construct, inspect, operate and maintain DISTRICT DRAINAGE FACILITIES within CITY rights of way.

7. Upon completion of PROJECT construction, but prior to DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES for ownership, operation and maintenance, convey or cause to be conveyed to DISTRICT the flood control easement(s) including ingress and egress, to the rights of way shown in concept cross-hatched in red on Exhibit "C".

8. Accept ownership and sole responsibility for the operation and maintenance
of APPUR Tenances upon DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES for ownership and maintenance.

9. Not grant any occupancy permits for any units within any portion of Parcel Map No. 36678 or any phase thereof, until construction of PROJECT is complete, unless otherwise approved in writing by DISTRICT.

10. Upon DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES construction as being complete, accept sole responsibility for the adjustment of all PROJECT manhole rings and covers located within CITY rights of way which must be performed at such time(s) that the finished grade along and above the underground portions of DISTRICT DRAINAGE FACILITIES is improved, repaired, replaced, or changed. It being further understood and agreed that any such adjustments shall be performed at no cost to DISTRICT.

SECTION III

DISTRICT shall:

1. Review and approve, IMPROVEMENT PLANS prior to the start of PROJECT construction.

2. Provide CITY an opportunity to review and approve plans and specifications for DISTRICT DRAINAGE FACILITIES prior to DISTRICT's final approval.

3. Upon execution of this Cooperative Agreement, record or cause to be recorded a copy of this Cooperative Agreement in the Official Records of the Riverside County Recorder.

4. Record or cause to be recorded the Irrevocable Offer(s) of Dedication provided by DEVELOPER pursuant to Section I.9. herein.

5. Inspect construction of DISTRICT DRAINAGE FACILITIES.

6. Keep an accurate accounting of all DISTRICT costs associated with the review and approval of IMPROVEMENT PLANS, the review and approval of right of way and
conveyance documents, and the processing and administration of this Cooperative Agreement.

7. Keep an accurate accounting of all DISTRICT construction inspection costs, and within forty-five (45) days after DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES as being complete, submit a final cost statement to DEVELOPER. If the deposit, as set forth in Section I.3., exceeds such costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) days after DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES as being complete. If at any time the costs exceed the deposit or are anticipated by DISTRICT to exceed the deposit, DEVELOPER shall pay such additional amount(s), as deemed reasonably necessary by DISTRICT to complete inspection of DISTRICT DRAINAGE FACILITIES, within thirty (30) days after receipt of billing from DISTRICT.

8. Provide CITY with a reproducible duplicate copy of "record drawings" of PROJECT plans upon (i) DISTRICT acceptance of PROJECT construction as being complete, and (ii) DISTRICT receipt of stamped and signed "record drawings" of DISTRICT DRAINAGE FACILITIES plans as set forth in Section I.21.

9. Accept ownership and sole responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES upon (i) DISTRICT inspection of DISTRICT DRAINAGE FACILITIES in accordance with Section I.19., (ii) DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES construction as being complete, (iii) recordation of all conveyance documents described in Section I.22., (iv) CITY acceptance of APPURtenances for ownership, operation and maintenance, (v) DISTRICT acceptance of ULTIMATE LATERAL construction as being complete, (vi) DISTRICT acceptance of ULTIMATE LATERAL for ownership, operation, and maintenance, (vii) DISTRICT DRAINAGE FACILITIES is fully functioning as a flood control drainage system as solely determined by DISTRICT, and (viii) DISTRICT's sole determination that DISTRICT DRAINAGE FACILITIES is in a satisfactorily maintained condition.
SECTION IV

It is further mutually agreed:

1. All construction work involved with PROJECT shall be inspected by DISTRICT and CITY but shall not be deemed complete until DISTRICT and CITY mutually agree in writing that construction is completed in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

2. CITY and DEVELOPER personnel may observe and inspect all work being done on DISTRICT DRAINAGE FACILITIES, but shall provide any comments to DISTRICT personnel who shall be solely responsible for all quality control communications with DEVELOPER's contractor(s) during the construction of PROJECT.

3. DEVELOPER shall complete construction of PROJECT within twelve (12) consecutive months after execution of this Cooperative Agreement and within one hundred twenty (120) consecutive calendar days after commencing work on PROJECT. It is expressly understood that since time is of the essence in this Cooperative Agreement, failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority for DISTRICT to perform the remaining work and require DEVELOPER's surety to pay to CITY the penal sum of any and all bonds. In which case, CITY shall subsequently reimburse DISTRICT for DISTRICT costs incurred.

4. If DEVELOPER fails to commence construction of PROJECT within nine (9) months after execution of this Cooperative Agreement, then DISTRICT reserves the right to withhold issuance of the Notice to Proceed pending a review of the existing site conditions as they exist at the time DEVELOPER provides written notification to DISTRICT of the start of construction as set forth in Section I.8. In the event of a change in the existing site conditions that materially affects PROJECT function or DISTRICT's ability to operate and maintain DISTRICT DRAINAGE FACILITIES, DISTRICT may require DEVELOPER to modify IMPROVEMENT
PLANS as deemed necessary by DISTRICT. In the event of a change in the existing site conditions that materially affects PROJECT function or CITY's ability to operate and maintain APPURTENANCES, CITY may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by CITY.

5. DISTRICT shall endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) days of receipt of DEVELOPER's complete written notice, as set forth in Section I.8.; however, DISTRICT's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

In the event DEVELOPER wishes to expedite issuance of a Notice to Proceed, DEVELOPER may elect to furnish an independent qualified construction inspector at DEVELOPER's sole cost and expense. DEVELOPER shall furnish appropriate documentation of the individual's credentials and experience to DISTRICT for review and, if appropriate, approval. DISTRICT shall review the individual's qualifications and experience, upon approval thereof, said individual, hereinafter called "DEPUTY INSPECTOR", shall be authorized to act on DISTRICT's behalf on all DISTRICT DRAINAGE FACILITIES construction and quality control matters. If DEVELOPER's initial construction inspection deposit furnished pursuant to Section I.3. exceeds ten thousand dollars ($10,000), DISTRICT shall refund to DEVELOPER up to eighty percent (80%) of DEVELOPER's initial inspection deposit within forty-five (45) days of DISTRICT's approval of DEPUTY INSPECTOR; however, a minimum balance of ten thousand dollars ($10,000) shall be retained on account.

6. PROJECT construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays, or DISTRICT designated legal holidays, unless otherwise approved in writing by DISTRICT. If DEVELOPER feels it is necessary to work more than the normal forty (40) hour work week or on holidays, DEVELOPER shall make a written request for permission from DISTRICT to work the additional hours. The request shall be
submitted to DISTRICT at least seventy-two (72) hours prior to the requested additional work
hours and shall state the reasons for the overtime and the specific time frames required. The
decision of granting permission for overtime work shall be made by DISTRICT at its sole
discretion and shall be final. If permission is granted by DISTRICT, DEVELOPER will be
charged the cost incurred at the overtime rates for additional inspection time required in
connection with the overtime work in accordance with Ordinance Nos. 671 and 749, including
any amendments thereto, of the County of Riverside.

7. DEVELOPER for itself, its successors, and assigns hereby releases
DISTRICT, the County of Riverside, and CITY (including their agencies, districts, special
districts and departments, their respective directors, officer, Board of Supervisors, elected and
appointed officials, employees, agents, and representatives) from any and all claims, demands,
actions, or suits of any kind arising out of any liability, known or unknown, present or future,
including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section
19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any
other law or ordinance which seeks to impose any other liability or damage whatsoever for
damage caused by the discharge of drainage within or from PROJECT. Nothing contained herein
shall constitute a release by DEVELOPER of DISTRICT or CITY, their officers, agents, and
employees from any and all claims, demands, actions, or suits of any kind arising out of any
liability, known or unknown, present or future, for the negligent maintenance of DISTRICT
DRAINAGE FACILITIES and APPURTENANCES, after the acceptance of ownership,
operation, and maintenance of DISTRICT DRAINAGE FACILITIES and APPURTENANCES
by DISTRICT and CITY respectively.

8. DEVELOPER shall indemnify and hold harmless DISTRICT, County of
Riverside, and CITY (including their respective agencies, districts, special districts and
departments, their respective directors, officers, Board of Supervisors, elected and appointed
officials, employees, agents, and representatives) from any liability, claim, damage, proceeding, or action, present or future, based upon, arising out of, or in any way relating to DEVELOPER's (including its officers, employees, subcontractors and agents) actual or alleged acts or omissions related to this Agreement, performance under this Agreement, or failure to comply with the requirements of this Agreement including, but not limited to (a) property damage, (b) bodily injury or death, (c) liability or damage pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law, ordinance or regulation caused by the diversion of waters from the natural drainage patterns or the discharge of drainage within or from PROJECT, or (d) any other element of any kind or nature whatsoever.

DEVELOPER shall defend, at its sole expense, including all costs and fees (including, but not limited to, attorney fees, cost of investigation, defense and settlements, or awards), DISTRICT, County of Riverside, and CITY (including their respective agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents, and representatives) in any claim, proceeding or action for which indemnification is required.

With respect to any of DEVELOPER's indemnification requirements, DEVELOPER shall, at its sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such claim, proceeding, or action without the prior consent of DISTRICT, County of Riverside, and CITY provided, however, that any such adjustment, settlement, or compromise in no manner whatsoever limits or circumscribes DEVELOPER's indemnification obligations to DISTRICT, County of Riverside, or CITY.

DEVELOPER's indemnification obligations shall be satisfied when DEVELOPER has provided to DISTRICT, County of Riverside, and CITY the appropriate form of dismissal (or similar document) relieving DISTRICT, County of Riverside, or CITY from any liability for the claim, proceeding, or action involved.
The specified insurance limits required in this Agreement shall in no way
limit or circumscribe DEVELOPER's obligations to indemnify and hold harmless DISTRICT,
County of Riverside, and CITY from third party claims.

In the event there is conflict between this section and California Civil Code
Section 2782, this section shall be interpreted to comply with California Civil Code Section 2782.
Such interpretation shall not relieve DEVELOPER from indemnifying DISTRICT, County of
Riverside, or CITY to the fullest extent allowed by law.

9. Any waiver by DISTRICT or by CITY of any breach of any one or more of
the terms of this Agreement shall not be construed to be a waiver of any subsequent or other
breach of the same or of any other term hereof. Failure on the part of DISTRICT or CITY to
require exact, full, and complete compliance with any terms of this Agreement shall not be
construed as in any manner changing the terms hereof or estopping DISTRICT or CITY from
enforcement hereof.

10. Any and all notices sent or required to be sent to the parties of this Agreement
will be mailed by first class mail, postage prepaid, to the following addresses:

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501
Attn: Contract Services Section

CPT PERRIS INDUSTRIAL LLC
601 S. Figueroa Street, Suite 2150
Los Angeles, CA 90017
Attn: Jon Carley

11. This Agreement is to be construed in accordance with the laws of the State
of California. If any provision of this Agreement is held by a court of competent jurisdiction to
be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full
force without being impaired or invalidated in any way.
12. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by the Cooperative Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

13. This Cooperative Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Cooperative Agreement was prepared as a matter of convenience by DISTRICT shall have no importance or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT prepared this Cooperative Agreement in its final form.

14. The rights and obligations of DEVELOPER shall inure to and be binding upon all heirs, successors, and assigns.

15. DEVELOPER shall not assign or otherwise transfer any of its rights, duties, or obligations hereunder to any person or entity without the written consent of the other parties hereto being first obtained. In the event of any such transfer or assignment, DEVELOPER expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Cooperative Agreement.

16. The individual(s) executing this Cooperative Agreement on behalf of DEVELOPER hereby certify that they have the authority within their company to enter into and execute this Cooperative Agreement, and have been authorized to do so by any and all boards of directors, legal counsel, and/or any other board, committee, or other entity within their company which have the authority to authorize or deny entering this Cooperative Agreement.

17. This Cooperative Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matters hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and
contemporaneous agreements and understandings, oral or written, in connection therewith. This
Cooperative Agreement may be changed or modified only upon the written consent of the parties
hereto.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

MAY 2 2 2018

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

By

JASON E. UHLEY
General Manager-Chief Engineer

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By

MARION ASHLEY, Chairman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By

LEILA MOSHREF-DANESH
Deputy County Counsel

By

Deputy

(S SEAL)

Cooperative Agreement with City of Perris and CPT Perris Industrial LLC
Perris Valley MDP Lateral B-5, Stage 2
Project No. 4-0-00461
03/05/18
TRI:blm
CPT PERRIS INDUSTRIAL LLC,
a Delaware limited liability company

By

THOMAS E. MULLAHEY
Authorized Signatory

Cooperative Agreement with City of Perris and CPT Perris Industrial LLC
Perris Valley MDP Lateral B-5, Stage 2
Project No. 4-0-00461
03/05/18
TRI: blm
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On March 20, 2018 before me, Aimee Sloan, Notary Public, personally appeared Thomas Mullahey, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]

(Notarial Seal)

AIMEE SLOAN
COMM. #2104713
Notary Public - California
Los Angeles County
My Comm. Expires Mar. 26, 2019

Printed Name
# Exhibit A

## SCHEDULE A

1. **Commitment Date:** December 04, 2017 at 7:30 A.M.

2. **Policy or Policies to be issued:**

   (A) ALTA Owner's Policy
   ALTA Standard Owner Policy
   Proposed Insured: To Be Determined
   Amount: $To Be Determined

   (B) ALTA Loan Policy
   Proposed Insured: To Be Determined
   Amount: $To Be Determined

3. (A) The estate or interest in the land described in this Commitment is:

   Fee

   (B) Title to said estate or interest at the date hereof is vested in:

   CPT Perris Industrial, LLC, a Delaware limited liability company

4. The land referred to in this Commitment is situated in the City of Perris, County of Riverside, State of California, and is described as follows:

   PARCEL 1 OF PARCEL MAP NO. 36678, AS SHOWN BY PARCEL MAP ON FILE IN BOOK 242, PAGES 64 THROUGH 68, OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

   APN: 314-161-011-2 (Portion of said land)
   314-161-012-3 (Portion of said land)
   314-161-013-4 (Portion of said land)
   314-161-014-5 (Portion of said land)
   314-161-015-6 (Portion of said land)
   314-161-016-7 (Portion of said land)
   314-161-017-8 (Portion of said land)
   314-161-018-9 (Portion of said land)
   314-161-019-0 (Portion of said land)
   314-161-020-0 (Portion of said land)
   314-161-021-1 (Portion of said land)
   314-161-022-2 (Portion of said land)
   314-161-023-3 (Portion of said land)
   314-161-024-4 (Portion of said land)
   314-161-025-5 (Portion of said land)
   314-161-026-6 (Portion of said land)
   314-161-027-7 (Portion of said land)
   314-161-028-8 (Portion of said land)

   314-161-029-9 (Portion of said land)
   314-161-030-0 (Portion of said land)
   314-161-031-0 (Portion of said land)
   314-161-032-1 (Portion of said land)
   314-161-033-2 (Portion of said land)
   314-161-034-3 (Portion of said land)
   314-161-035-4 (Portion of said land)
   314-161-036-5 (Portion of said land)
   314-161-037-6 (Portion of said land)
   314-161-038-7 (Portion of said land)
   314-161-039-8 (Portion of said land)
   314-161-040-9 (Portion of said land)
   314-161-041-9 (Portion of said land)
   314-162-017-1 (Portion of said land)
   314-162-018-2 (Portion of said land)
   314-162-019-3 (Portion of said land)
   314-162-020-3 (Portion of said land)
   314-162-021-4 (Portion of said land)
   314-162-022-5 (Portion of said land)
   314-162-023-6 (Portion of said land)
   314-162-024-7 (Portion of said land)
   314-162-025-8 (Portion of said land)
   314-162-026-9 (Portion of said land and other property)
   314-162-035-7 (Portion of said land)
   314-162-036-8 (Portion of said land)
   314-162-037-9 (Portion of said land)
   314-162-038-0 (Portion of said land)
   314-162-039-1 (Portion of said land)
   314-162-040-1 (Portion of said land)

---

**COOPERATIVE AGREEMENT**
Perris Valley MDP Lateral B-5, Stage 2
Project No. 4-0-00461
Parcel Map No. 36678

Page 1 of 1
Exhibit B

COOPERATIVE AGREEMENT
Perris Valley MDP Lateral B-5, Stage 2
Project No. 4-0-00461
Parcel Map No. 36678
Exhibit C

COOPERATIVE AGREEMENT
Perris Valley MDP Lateral B-5, Stage 2
Project No. 4-O-00461
Parcel Map No. 36678
MEETING DATE: July 31, 2018

SUBJECT: Resolution of Support regarding the 2020 Census

REQUESTED ACTION: Adopt Resolution Number (next in order) to support community-based non-profit outreach efforts to complete the 2020 Census.

CONTACT: Richard Belmudez, City Manager

BACKGROUND/DISCUSSION: The Governor has proposed in his 2018-2019 State budget that funds be allocated for a California Complete Count Committee and for community-based outreach programs. The attached Resolution supports legislation that would contribute more funding to local government complete count committees and dedicated funding to support community-based non-profit outreach efforts to complete the 2020 Census.

BUDGET (or FISCAL) IMPACT: None

Reviewed by:

City Attorney
Director of Finance
Assistant City Manager

Attachments: Resolution of Support

Consent: July 31, 2018
Public Hearing:
Business Item:
Other:
RESOLUTION NUMBER (next in order)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT THE CITY OF PERRIS INCLUDES IN ITS 2018-2019 STATE LEGISLATIVE PROGRAM SUPPORT FOR LEGISLATION OR ADMINISTRATIVE ACTION THAT WOULD CONTRIBUTE MORE FUNDING TO LOCAL GOVERNMENT COMPLETE COUNT COMMITTEES AND DEDICATED FUNDING TO SUPPORT COMMUNITY-BASED NON-PROFIT OUTREACH EFFORTS TO COMPLETE THE 2020 CENSUS

WHEREAS, any official position of the City of Perris with the respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, the Decennial Census is one of the key functions of the US Government and is described in detail in the US Constitution to ensure an accurate count of the nation's population to ensure fair representation; and

WHEREAS, an accurate Census count must involve a coordinated effort by the City, County and community-based organizations and include a local targeted field plan and communication strategy; and

WHEREAS, the 2020 Census is the first Census that will be performed primarily electronically, which creates additional barriers for low-income and immigrant communities; and

WHEREAS, data collected during the Census is essential for government agencies, private businesses and research professionals serving the US population; and

WHEREAS, according to the Government Accountability Office (GAO), the 2020 Decennial Census will cost an estimated $15.6 billion for which there is a substantial budgetary shortfall; and

WHEREAS, the City should seek funds from external sources to ensure an accurate population count, which is consistent with the City's previous efforts to assist low-income and immigrant communities; and
WHENAS, the United States Department of Justice has proposed to include a citizenship question on the 2020 Census form which may dampen participation rates in immigrant communities because of the Trump administration's emphasis on deportation and border security; and

WHENAS, an accurate Census count is difficult to obtain, and adding additional questions increases the time required to complete the process of being counted and therefore deters participation; and

WHENAS, many of the communities in Perris face socioeconomic and demographic challenges that result in these areas being significantly undercounted in the Census; and

WHENAS, the lack of adequate funding for the 2020 Decennial Census could have an adverse impact on the Census Bureau's ability to accurately count everyone who resides in the City; and

WHENAS, the Governor has proposed in his 2018-2019 State budget that funds be allocated for a California Complete Count Committee and for community-based outreach programs, and the City is committed to identifying funds to enhance the support of a multi-phased grassroots effort targeting the hardest to count communities; and

WHENAS, the City should receive funds from the State to ensure an accurate population count which would support the State's efforts to complete an accurate count.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Perris, California as follows:

Section 1. By the adoption of this Resolution, the City of Perris hereby includes in its 2018-2019 Federal Legislative Program opposition to the Department of Justice's proposal to include a citizenship question on the 2020 Census questionnaire.

Section 2. By the adoption of this Resolution, the City of Perris hereby includes in its 2018-2019 State Legislative Program support for legislation or administrative action that would contribute more funding to local government complete count committees and dedicated funding to support community-based non-profit outreach efforts to complete the 2020 Census.
ADOPTED, SIGNED and APPROVED this 31st day of July, 2018

Mayor Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

RESOLUTION NUMBER (Next in order)
STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number (next in order) was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July, 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk Nancy Salazar
SUBJECT: Article XIIIIB Appropriation (Gann) Limit for Fiscal Year 2018-2019

REQUESTED ACTION: To approve the attached resolution establishing the Appropriation Limit as presented.

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION: Article XIIIIB Appropriation (Gann) Limit of the California Constitution places an annual limit on the amount of revenue which can be spent by government entities. If the proceeds from taxes exceed the allowed appropriations, the excess must either be refunded to the State Controller, or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangement.

The City of Perris is required to establish an annual review of the appropriation limit calculation. Said Appropriation shall not exceed the appropriations limit of the City for the prior year, adjusted for changes in inflation and population, both numbers of which are provided by the Department of Finance, State of California. See attached calculation and supporting documentation.

BUDGET (or FISCAL) IMPACT: There is no fiscal impact.

Reviewed by:
Assistant City Manager
Director of Finance

Attachments: Resolution
Price and Population Information from State of California, Department of Finance
Appropriations Limit Calculation

Consent
RESOLUTION NUMBER ____

A RESOLUTION OF THE CITY OF PERRIS,
COUNTY OF RIVERSIDE, STATE OF
CALIFORNIA, ESTABLISHING THE
APPROPRIATIONS LIMIT FOR FISCAL YEAR
2018-2019 PURSUANT TO ARTICLE XIIIIB OF THE
CALIFORNIA CONSTITUTION

WHEREAS, Article XIIIIB of the California Constitution provides that the total annual appropriations, subject to limitation of each governmental entity, including this City. Said appropriation shall not exceed the appropriations limit of such entity of government for the prior year, adjusted for changes in inflation and population, except as otherwise provided for in said Article XIIIIB and implementing State statutes; and

WHEREAS, pursuant to Proposition 131, the said Article XIIIIB has been modified and the City Council of the City of Perris may annually elect one of two options for the inflation growth and the population growth; and

WHEREAS, the City Council of the City of Perris has selected the change in California per capita personal income change data as the inflationary factor; and

WHEREAS, the City Council of the City of Perris has selected the growth of the County of Riverside as the population factor; and

WHEREAS, the City Council of the City of Perris has calculated and determined that said appropriations limit for fiscal year 2018-2019 be established in the amount of $46,323,290; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris determines that an appropriations limit in said amount be $46,323,290 and the same is hereby established for said fiscal year 2018-2019, and

BE IT FURTHER RESOLVED, that all supporting documentation used in the determination of said appropriations limit be made available at the office of the City Manager during normal business hours for public inspection and review.

ADOPTED, SIGNED AND APPROVED this 31st day of July, 2018.

Michael M. Vargas, Mayor
ATTEST:

______________________________  
Nancy Salazar, City Clerk

STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, City Clerk of the City of Perris, California, hereby certify that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July, 2018, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  

______________________________  
Nancy Salazar, City Clerk
May 2018

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. Attachment A provides the change in California’s per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2018-19 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller’s Office. Finance will certify the higher estimate to the State Controller by June 1, 2018.

Please Note: The prior year’s city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment
A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2018-19 appropriation limit is:

<table>
<thead>
<tr>
<th>Per Capita Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
</tr>
<tr>
<td>(FY)</td>
</tr>
<tr>
<td>2018-19</td>
</tr>
</tbody>
</table>

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

**2018-19:**

Per Capita Cost of Living Change = 3.67 percent  
Population Change = 0.78 percent  

Per Capita Cost of Living converted to a ratio: \( \frac{3.67 + 100}{100} = 1.0367 \)  
Population converted to a ratio: \( \frac{0.78 + 100}{100} = 1.0078 \)  
Calculation of factor for FY 2018-19: \( 1.0367 \times 1.0078 = 1.0448 \)
## Fiscal Year 2018-19

### Attachment B

**Annual Percent Change in Population Minus Exclusions**

January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

<table>
<thead>
<tr>
<th>County</th>
<th>Percent Change 2017-2018</th>
<th>1-1-17 Population Minus Exclusions</th>
<th>1-1-18 Population Minus Exclusions</th>
<th>Total Population 1-1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverside</td>
<td></td>
<td></td>
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<td><strong>2,406,947</strong></td>
<td><strong>2,415,955</strong></td>
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</table>

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.*
City of Perris
Appropriations Limit Calculation
Fiscal Year 2018-2019

Item

Per Capita Personal Income % Change 3.67
Population % Change 1.40
Population @1/1/2018 77,837

Ratios

\[
\text{Per Capita Personal Income} = \frac{3.67+100}{100} = 1.0367
\]

\[
\text{Population Change} = \frac{1.40+100}{100} = 1.014
\]

Growth Factor 1.0367 \times 1.014 = 1.05121380

Appropriations Limit Calculation

Base Year 44,066,478
Growth Factor 1.05121380
Appropriations Limit 46,323,290

Proceeds of Taxes

Sales Tax 18,040,175
Property Tax 6,550,464
Property Tax in Lieu of VLF 6,075,335
Dispensary Tax 312,000
Property Transfer Tax 341,229
Motor Vehicle License 33,026
Transient Occupancy Tax 159,784
Total Proceeds of Taxes 29,512,013

Excess Limit over Tax Proceeds 16,811,277
Meeting Date: July 31, 2018

SUBJECT: Investment Report – Quarter Ended June 30, 2018

REQUESTED ACTION: Receive and File Quarterly Investment Report for the Quarter Ended June 30, 2018

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION: The California Government Code establishes requirements for Treasurer’s Investment Reports and investment practices. Section 53646 of the Code states that the City’s Treasurer shall render a quarterly report to the City Manager and City Council.

The earnings for the third quarter of 2017-18, as presented in this report, are $248,806.77.

The City continues to employ an investment strategy of maximizing yield while maintaining security of the City’s invested funds as specified in the investment policy adopted by the Council.

BUDGET (or FISCAL) IMPACT: Interest income earned for the first quarter of Fiscal Year 2017-2018 as reported is $248,806.77. The projected interest income for the General Fund is $46,074.13.

Assistant City Manager
Director of Finance

Attachments:
Memorandum
Quarterly Investment Report

Consent: X
Memorandum

TO: Honorable Mayor and Members of the Perris City Council
PREPARED BY: Jennifer Erwin, Director of Finance
DATE: July 31, 2018
SUBJECT: Quarterly Investment Report as of June 30, 2018

We hereby certify that this quarterly investment report (see attached Exhibit A) accurately reflects all investments and is in compliance with the City's Investment Policy (see Compliance Table Exhibit B). Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditures for the next six months.

Approved by: 
Jennifer Erwin, Director of Finance
Date: 7/31/18
City of Perris  
Quarterly Investment Report  
April 1, 2018 - June 30, 2018

Current Quarter Ending June 30, 2018

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Institution</th>
<th>Maturity Date</th>
<th>Deposit Amount *</th>
<th>Interest Received</th>
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<tr>
<td>Pooled</td>
<td>Citizens Business Bank (Premiere Money Market)</td>
<td>Liquid</td>
<td>40,547,083.22</td>
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<td>Citizens Business Bank (Investment)</td>
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Total Interest Earning for Period Ending June 30, 2018: $248,806.77

* Average Quarterly Cash Balance per Investment Account
## CITY OF PERRIS
Projected Cash Balances & Projected Interest Income as of June 30, 2018
Fiscal Year 2017 - 2018

<table>
<thead>
<tr>
<th>FUND #</th>
<th>FUND NAME</th>
<th>Projected Balances as of 06/30/2018</th>
<th>Projected Interest Income for quarter ending 06/30/2018</th>
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<tr>
<td>001</td>
<td>GENERAL FUND*</td>
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<td>RAILWAY DEPOT RESTORATION</td>
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<td>REDEV. OBLIG. RETIREMENT</td>
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**Total:**

|  | 170,211,391.50 | 248,806.77 |
 SUBJECT: RBBD Improvement Credit/Reimbursement Agreement with Duke Realty Limited Partnership for improvements required for DPR 16-00008, located south of Markham Street and east of Indian Avenue

REQUESTED ACTION: That the City Council approve and authorize the City Manager to execute the Agreement in a form approved by the City Attorney

CONTACT: Eric Dunn, City Attorney

BACKGROUND/DISCUSSION:

In 2008 the City Council established the North Perris Road and Bridge Benefit District (the "RBBD") to fund certain infrastructure improvements generally in the North Perris Specific Plan area. City Resolution No. 4157 establishes a fee schedule so that developers within the RBBD pay for their fair share of the costs of constructing improvements that help mitigate the traffic impacts and burdens on arterials and streets within the RBBD. The RBBD Fees are based on the North Perris Road and Bridge Benefit District Analysis Report dated June 12, 2008 ("Report"), and generally replace the combined DIF and TUMF fees that would otherwise apply.

Similar to the DIF and TUMF programs, the RBBD program allows for credits and reimbursements for developers who construct improvements identified in the Report. Credits and reimbursements are administered by the City.

Duke Realty Limited Partnership ("developer") received entitlements to construct approximately 657,000 square feet of industrial and office space on about 31 acres of real property located south of Markham Street and east of Indian Avenue. Among other conditions of development, the developer is required to construct street and other improvements on and along Markham Street to alleviate traffic impacts. Some of these improvements are identified in the Report and are eligible for RBBD credit and/or reimbursement. The developer’s total RBBD Fee obligation is $4,977,748, which the developer has already paid in full. The improvements to be constructed by the developer are eligible under the RBBD program for a credit up to approximately $821,250. Upon completion of the project the exact amount of the credit will be reconciled against the actual costs of the improvements by the City Engineer’s office, and the amount will be reimbursed to the developer.

The draft agreement is attached in the form of RBBD credit/reimbursement agreements previously approved by the City. If the City Council approves the terms of the agreement, the City Attorney’s office will finalize the agreement for execution. If any substantive changes are required, the agreement will be brought back to the City Council for further consideration.
BUDGET (or FISCAL) IMPACT:

None to the City. The agreement implements the credits authorized under the RBBD Program.

Reviewed by:

City Attorney X
Assistant City Manager Darren Madkin
Finance Director Jennifer Erwin

Attachment: RBBD Improvement Credit/Reimbursement Agreement

Consent: X
Public Hearing:
Business Item:
Other:
IMPROVEMENT CREDIT / REIMBURSEMENT AGREEMENT

NORTH PERRIS ROAD AND BRIDGE BENEFIT DISTRICT FEE PROGRAM

This IMPROVEMENT AND CREDIT AGREEMENT ("Agreement") is entered into this ____ day of ________________, 2018, by and between the CITY OF PERRIS, a California municipal corporation ("City"), and DUKE REALTY LIMITED PARTNERSHIP, an Indiana limited partnership ("Developer"). City and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Developer is the owner of approximately 30.71 net acres of unimproved real property located South of Markham Street and east of Indian Avenue within the Northerly City limits in the City of Perris, County of Riverside, State of California and more specifically described in the legal description set forth in Exhibit "A" attached hereto and incorporated herein by this reference ("Property");

WHEREAS, Developer has obtained from City certain entitlements and/or permits for the construction of improvements on the Property, which are more particularly described as Development Plan Review ("DPR") 16-00008 ("Project");

WHEREAS, as a condition to City’s approval of the Project, City has required Developer to construct certain portions of Markham Street (the "Improvements") as described in the conditions of approval for the Project.

WHEREAS, pursuant to Section 66484 of the California Government Code, Chapter 18.32 of the Perris Municipal Code, and City Resolution No. 4157 (as amended), the City of Perris requires Developer to pay the North Perris Road and Bridge Benefit District Fees ("RBBD Fees") for the Developer’s fair share of the costs to construct transportation improvements that help mitigate the traffic impacts and burdens on arterials and streets within the North Perris Road and Bridge Benefit District Area ("District") generated by the Project and that are necessary to protect the safety, health and welfare of persons in the City;

WHEREAS, the Improvements are also identified in the North Perris Road and Bridge Benefit District ("NPRBBD") program as transportation improvements that are to be funded with the funds collected under the RBBD Fees, as described in the NPRBBD Analysis Report dated June 12, 2008 ("Report");

WHEREAS, City requires Developer to pay, and Developer has paid, the RBBD Fees as a condition of approval for the Project; and

WHEREAS, City and Developer now desire to enter into this Agreement for the following purposes: (1) to provide for the timely construction and completion of the
Improvements, (2) to ensure that construction of the Improvements is undertaken in accordance with the plans and specifications as approved by City, (3) to provide a means by which the Developer’s costs for construction of the Improvements is offset against Developer’s obligation to pay the applicable RBBD Fees for the Project in accordance with the Report and applicable RBBD rules adopted by City, and (4) to provide a means for Developer to be reimbursed to the extent the actual and authorized costs for construction of the Improvements exceeds Developer’s RBBD Fees obligation.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and City hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of Improvements. Developer shall construct or have constructed, at its own cost and expense, the Improvements in accordance with plans and specifications which will be prepared by or on behalf of Developer and approved by City. Construction of the Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Developer shall be responsible for the replacement, relocation, or removal of any component of any existing public or private improvement in conflict with the construction or installation of the Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of City and the owner of such improvement. Developer shall provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the Improvements.

2.1 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any portion of the Improvements until all plans and specifications for the Improvements (“Plans and Specifications”) have been submitted to and approved by City.

2.2 Permits and Notices. Prior to commencing any work, Developer shall, at its sole cost and expense, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the Improvements and performance of Developer’s obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in this Agreement, any applicable law, any permit or license issued to Developer.

2.3 Public Works Requirements. Developer shall ensure that the construction of the Improvements is undertaken as if such Improvements were constructed under the direction and authority of City. Thus, without limitation, Developer shall comply with all of the following requirements with respect to the construction of the Improvements:
(a) Developer shall obtain bids for the construction of the Improvements, in conformance with the standard procedures and requirements of City with respect to its public works projects, or in a manner which is approved by the City Engineer.

(b) The contract or contracts for the construction of the Improvements shall be awarded to the responsible bidder(s) submitting the lowest responsive bid(s) for the construction of the Improvements.

(c) Developer shall require, and the specifications and bid and contract documents shall require, all contractors to pay prevailing wages (in accordance with Articles 1 and 2 of Chapter 1, Part 7, Division 2 of the Labor Code) and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects of cities/Counties and as required by the procedures and standards of City with respect to the construction of its public works projects or as otherwise directed by the City Engineer.

(d) All contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Improvements which they will construct in conformance with Section 13.0 of this Agreement.

2.4 Compliance With Plans and Specifications. The Improvements shall be completed in accordance with the Plans and Specifications as approved by City.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required, constructing the Improvements in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to Improvements. All work shall be done and the Improvements completed as shown on the Plans and Specifications, and any subsequent alterations thereto mutually agreed upon by City and Developer. If Developer desires to make any alterations to the Plans and Specifications, it shall provide written notice to City of such proposed alterations. City shall have ten (10) business days after receipt of such written notice to approve or disapprove such alterations, which approval shall not be unreasonably withheld, conditioned or delayed. If City fails to provide written notice to Developer of its approval or disapproval of the alterations within such ten (10) business day period, City will be deemed to have disapproved such alterations to the Plans and Specifications. Any and all alterations in the Plans and Specifications and the Improvements to be completed may be accomplished without first giving prior notice thereof to Developer’s surety for this Agreement.
3.0 **Maintenance of Improvements.** City shall not be responsible or liable for the maintenance or care of the Improvements until City approves and accepts them. City shall exercise no control over the Improvements until accepted. Any use by any person of the Improvements, or any portion thereof, shall be at the sole and exclusive risk of Developer at all times prior to City's acceptance of the Improvements. Developer shall maintain all of the Improvements in a state of good repair until they are completed by Developer and approved and accepted by City, and until the security for the performance of this Agreement is released. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by City. If Developer fails to properly prosecute its maintenance obligation under this section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the Improvements or their condition prior to acceptance, except to the extent such damage or injury is caused by the negligence or willful misconduct of City, its elected officials, employees and/or agents.

4.0 **Fees and Charges.** Developer shall, at its sole cost and expense, pay all fees, charges, and taxes arising out of the construction of the Improvements, including, but not limited to, all plan check, design review, engineering, inspection, sewer treatment connection fees, and other service or impact fees established by City.

5.0 **City Inspection of Improvements.** Developer shall, at its sole cost and expense, and at all times during construction of the Improvements, maintain reasonable and safe facilities and provide safe access for inspection by City of the Improvements and areas where construction of the Improvements is occurring or will occur.

6.0 **Liens.** Upon the expiration of the time for the recording of claims of liens as prescribed by Sections 8412 and 8414 of the Civil Code with respect to the Improvements, Developer shall provide to City such evidence or proof as City shall reasonably require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Improvements, have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. Rather than await the expiration of the said time for the recording of claims of liens, Developer may elect to provide to City a title insurance policy or other security reasonably acceptable to City guaranteeing that no such claims of liens will be recorded or become a lien upon any of the Property.

7.0 **Acceptance of Improvements; As-Built or Record Drawings.** If the Improvements are completed by Developer in accordance with the Plans and Specifications, City shall be authorized to accept the Improvements. City may, in its reasonable discretion, accept fully completed portions of the Improvements prior to such time as all of the Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the Improvements. Upon the total or partial acceptance of the Improvements by City, Developer shall file with the Recorder's Office of the County of Riverside a notice of completion for the accepted Improvements in accordance with California Civil Code section 3093 ("Notice of Completion"), at which time the accepted Improvements shall become the sole and exclusive property of City without any payment therefor. Notwithstanding the foregoing, City may not
accept any Improvements unless and until Developer provides one (1) set of “as-built” or record drawings or plans to the City for all such Improvements. The drawings shall be certified and shall reflect the condition of the Improvements as constructed, with all changes incorporated therein.

8.0 Warranty and Guarantee. Developer hereby warrants and guarantees all the Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of the Improvements, for a period of one (1) year following completion of the work and acceptance by City (“Warranty”). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the Improvements, in accordance with the Plans and Specifications. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost and expense of Developer and its surety. As to any Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following City acceptance of the repaired, replaced, or reconstructed Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any Improvement following expiration of the Warranty or any extension thereof. Developer’s warranty obligation under this section shall survive the expiration or termination of this Agreement.

9.0 Administrative Costs. If Developer fails to construct and install all or any part of the Improvements, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to City for all administrative expenses, fees, and costs, including reasonable attorneys’ fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

10.0 Default; Notice; Remedies.

10.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if City determines there is a violation of any federal, state, or local law, ordinance, regulation or code, City may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation (“Notice”). Developer shall substantially commence the work required to remedy the default or violation within five (5) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, City may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon City’s issuance of the Notice, Developer and its surety shall be liable to City for all costs of construction and installation of the Improvements and all other administrative costs expenses as provided for in Section 9.0 of this Agreement.

10.2 Failure to Remedy; City Action. If the work required to remedy the noticed default or violation is not commenced within the time required under Section 10.1 of this Agreement and diligently prosecuted to completion, City may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its
reasonable discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost and expense of Developer and its surety, without the necessity of giving any further notice to Developer or surety. In the event City elects to complete or arrange for completion of the remaining work and the Improvements, City may require all work by Developer or its surety to cease in order to allow adequate coordination by City.

10.3 **Other Remedies.** No action by City pursuant to this Section 10.0 et seq. of this Agreement shall prohibit City from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. City may exercise it rights and remedies independently or cumulatively, and City may pursue inconsistent remedies, and City may institute an action for actual damages, injunctive relief, or specific performance.

11.0 **Security, Surety Bonds.** Prior to the commencement of any work on the Improvements, Developer or its contractor shall provide City with surety bonds in the amounts and under the terms set forth below ("Security"). The amount of the Security shall be based on the estimated actual costs (the "Estimated Costs") to construct the Improvements, as determined by City after Developer has awarded a contract for the construction of the Improvements in accordance with this Agreement. The Estimated Costs are set forth on Exhibit "B" attached hereto and incorporated herein by this reference. If City determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer or its contractor shall adjust the Security in an amount requested by City. Developer's compliance with this Section 11.0 et seq. of this Agreement shall in no way limit or modify Developer's indemnification obligation provided in Section 12.0 of this Agreement.

11.1 **Performance Bond.** To guarantee the faithful performance of the Improvements and all the provisions of this Agreement, to protect City if Developer is in default as set forth in Section 10.0 et seq. of this Agreement, and to secure the Warranty of the Improvements, Developer or its contractor shall provide City a faithful performance bond in an amount which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The City may, in its reasonable discretion, partially release a portion or portions of the security provided under this section as the Improvements are accepted by City, provided that Developer is not in default on any provision of this Agreement and the total remaining security is not less than twenty percent (20%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 8.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement.

11.2 **Labor & Material Bond.** To secure payment to the contractors, subcontractors, laborers, materialmen, and other persons furnishing labor, materials, or equipment for performance of the Improvements and this Agreement, Developer or its contractor shall provide City a labor and materials bond in an amount which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section shall be released by City six (6) months after the date City accepts the Improvements.
11.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best rating of at least "A" and FSC-VIII, shall be licensed to do business in California. As part of the obligation secured by the Security and in addition to the face amount of the Security, Developer, its contractor or the surety shall secure the costs and reasonable expenses and fees, including reasonable attorneys' fees and costs, incurred by City in enforcing the obligations of this Agreement. Developer, its contractor and the surety shall stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the Improvements, or the Plans and Specifications shall in any way affect its obligation on the Security.

11.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit "C," unless other forms are deemed acceptable by the City, and when such forms are completed to the satisfaction of City, the forms and evidence of the Security shall be attached hereto as Exhibit "C" and incorporated herein by this reference.

12.0 Indemnification. Developer shall defend, indemnify, and hold harmless City, its elected officials, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, to the extent arising out of or incident to any acts, omissions, negligence or willful misconduct of Developer in connection with Developer’s performance of this Agreement ("Claims"). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any Claim which is caused solely and exclusively by the negligence or willful misconduct of City as determined by a court or administrative body of competent jurisdiction. Developer’s obligation to indemnify City shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

13.0 Insurance.

13.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during performance of this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

13.1.1 General Liability. Occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage.

13.1.2 Business Automobile Liability. Business automobile liability insurance, or equivalent form, with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence. Such insurance shall include coverage for the ownership,
operation, maintenance, use, loading, or unloading of any auto owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

13.1.3 Workers’ Compensation. Workers’ compensation insurance with limits as required by the Labor Code of the State of California and employers’ liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence, at all times during which insured retains employees.

13.1.4 Professional Liability. For any consultant or other professional who will engineer or design the Improvements, liability insurance for errors and omissions with limits not less than Two Million Dollars ($2,000,000) per occurrence, shall be procured and maintained for a period of five (5) years following completion of the Improvements. Such insurance shall be endorsed to include contractual liability.

13.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

13.3 Additional Insured; Separation of Insureds. The Required Insurance, except for the professional liability and workers’ compensation insurance, shall name City as an additional insured with respect to work performed by or on behalf of Developer or its contractors, including any materials, parts, or equipment furnished in connection therewith. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to City, its elected officials, officers, employees, or agents.

13.4 Primary Insurance; Waiver of Subrogation. The Required Insurance shall be primary with respect to any insurance or self-insurance programs covering City, its elected officials, officers, employees, or agents. The policy required for workers’ compensation insurance shall provide that the insurance company waives all right of recovery by way of subrogation against City in connection with any damage or harm covered by such policy.

13.5 Certificates; Verification. Developer and its contractors shall furnish City with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by City before work pursuant to this Agreement can begin. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that
the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days' prior written notice to City.

13.7 Insurer Rating. Unless approved in writing by City, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least “A” and FSC-VIII.

14.0 RBBD Fees Credit.

14.1 Developer’s RBBD Fees Obligation. Developer hereby agrees and accepts that as of the date of this Agreement, the amount Developer is obligated to pay, and has paid, to City for the RBBD Fees for the Project is four million nine hundred seventy-seven thousand seven hundred seventy-eight and 00/100 dollars ($4,977,748) (“RBBD Fees Obligation”) based upon development of the maximum square feet of building floor area allowed as provided for in the approvals of the Project.

14.2 Credit Offset Against RBBD Fees Obligation. In consideration for Developer’s obligation under this Agreement to construct the Improvements, a credit estimated to be eight hundred twenty-one thousand two hundred fifty and 00/100 Dollars ($821,250) (“Estimated Credit”) shall be applied by City to offset the RBBD Fee Obligation. The Estimated Credit shall be subject to adjustment and reconciliation under Section 14.3 of this Agreement. Developer hereby agrees that the amount of the Estimated Credit shall be applied after Developer has awarded a contract for construction of the Improvements to the lowest responsible bidder in accordance with this Agreement. The amount of the Estimated Credit shall be equal to the lesser of (A) the bid amount set forth in the contract awarded to the lowest responsible bidder plus the related allowable eligible costs not subject to bid, or (B) the unit cost assumptions for the Improvements in effect at the time of the contract award and agreed upon between Developer and the City, as such assumptions are identified and determined in the Report and outlined in Exhibit B of this agreement.

14.3 Reconciliation; Final Offset Against RBBD Fees Obligation. Upon acceptance of the Improvements by City, Developer shall submit to the City Engineer such information as the City Engineer may require to calculate the total actual costs incurred by Developer in constructing the Improvements (“Verified Costs”). The Verified Costs are to include but not limited to the public bid contractor costs of performing the Improvements, design work, engineering costs, permit/review fees, inspection fees, surveying, materials testing, R.O.W acquisition/dedication costs, legal fees, Construction Management (CM) fees, and utility relocations required due to the improvements. Such information shall include but not be limited to the documentation listed in Exhibit “D” attached hereto. The actual amount of Credit that shall be applied by City to offset the RBBD Fees Obligation shall be equal to the lesser of: (A) the Verified Costs or (B) Unit Cost Assumptions for the Improvements as determined in accordance with Section 14.2 of this Agreement (collectively “Actual Credit”). Any Verified Cost that is incurred by the project and exceeds a Unit Cost Assumption for an individual line item within a given NPRBBD Facility (i.e. New Lane Cost, Parkway Landscape Costs, Engineering, etc.) can be applied to a different line item within that NPRBBD Facility until the maximum Estimated Credit amount has been met for the given Facility. Similarly, any Verified
Cost that is incurred by the project and exceeds a Unit Cost Assumption for a given NPRBBD Facility can be applied to a different NPRBBD Facility until the maximum Estimated Credit amount has been met for the entire project. Upon completion of the reconciliation, City shall refund the amount of the Actual Credit to Developer.

15.0 Miscellaneous.

15.1 Assignment. Developer may assign all or a portion of its rights and obligations pursuant to this Agreement to a purchaser of a portion or portions of the Property ("Assignment"). Developer and such purchaser and assignee ("Assignee") shall provide to City such reasonable proof as it may require that Assignee is the purchaser of such portions of the Property, provided that City hereby agrees that a copy of the deed or conveyance document shall be sufficient proof. Any assignment pursuant to this section shall not be effective unless and until Developer and Assignee have executed an assignment agreement in the form attached hereto as Exhibit “E”.

15.2 Relationship Between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between City and Developer. Developer’s contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of City.

15.3 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

15.4 Intentionally Deleted for Numbering Purposes.

15.5 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To City of Perris
    Attn: City Manager
    101 North “D” Street
    Perris, CA 92570
    Fax No. (951)943-4246

To Developer:
    Duke Realty Limited Partnership
    200 Spectrum Center Drive
    Suite 1600
    Irvine, CA 92618
    Attn: Adam Schmid
    Telephone: 949-797-7038
    adam.schmid@dukerealty.com
Duke Realty Limited Partnership  
200 Spectrum Center Drive  
Suite 1600  
Irvine, CA 92618  
Attn: Bob Close  
Telephone: 949-797-7060  
robert.close@dukrealty.com

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

15.6 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

15.7 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

15.8 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

15.9 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

15.10 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.
15.11 **No Third Party Beneficiaries.** There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

15.12 **Invalidity; Severability.** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

15.13 **Consent to Jurisdiction and Venue.** This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties’ activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

15.14 **Time is of the Essence.** Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

15.15 **Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

15.16 **Entire Agreement.** This Agreement contains the entire agreement between City and Developer and supersedes any prior oral or written statements or agreements between City and Developer.

[SIGNATURES OF PARTIES ON NEXT PAGE]
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

DEVELOPER:

DUKE REALTY LIMITED PARTNERSHIP,
an Indiana limited partnership

By: Duke Realty Corporation, an Indiana corporation, its general partner

By: ______________________________________

CITY:

City of Perris, a California municipal corporation

By: ______________________________________
   Richard Belmudez
   City Manager

ATTEST:

__________________________________________
Nancy Salazar, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

__________________________________________
Eric L. Dunn
City Attorney
EXHIBIT “A”
LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Perris, County of Riverside, State of California, described as follows:

PARCEL 1, AS SHOWN ON THAT CERTAIN PARCEL MAP NO. 37187 FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA ON MAY 23, 2018, IN BOOK 244 OF PARCEL MAPS, PAGES 88 THROUGH 90.
EXHIBIT “B”
ESTIMATED COSTS
DPR 16-00008

1. Project total square footage of industrial building:
   Mezzanine 7,800 SF
   Warehouse 641,881 SF
   Office 19,200 SF
   Total 668,881 SF

2. The project RBBD fee obligation:
   Total Building Size 668,681 SF
   $\times$ 7.58
   Total $5,070,118

3. Total amount reserved in RBBD Program for improvements proposed:
   Markham Street $498,500
   Indian Avenue $314,750
   Total $813,250

4. MSHCP amount not reimbursable:
   Markham Street $8,250
   Indian Avenue -
   Total $8,250

5. Maximum reimbursable amount in RBBD Program:
   Markham Street $490,250
   Indian Avenue $314,750
   Total $805,000
EXHIBIT “C”
FORMS FOR SECURITY

[ATTACHED BEHIND THIS PAGE]
EXHIBIT "D"

DOCUMENTATION TO BE PROVIDED TO CITY BY DEVELOPER FOR DETERMINATION OF CONSTRUCTION COSTS

To assist City in determining the Construction Costs for a completed NPRBBD Improvement, Developer shall provide the following documents to City:

1. Plans, specifications and Developer’s civil engineer’s cost estimate;

2. List of bidders from whom bids were requested;

3. Construction schedules and progress reports;

4. Contracts, insurance certificates and change orders with each contractor or vendor;

5. Invoices received from all vendors;

6. Canceled checks for payments made to contractors and vendors (copy both front and back of canceled checks);

7. Spreadsheet showing total costs incurred in and related to the construction of each NPRBBD Improvement and the check number for each item of cost and invoice;

8. Final lien releases from each contractor and vendor; and

9. Such further documentation as may be reasonably required by City to evidence the completion of construction and the payment of each item of cost and invoice.
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: Space Use Agreement with Mt. San Jacinto Community College District (MSJC) to offer MSJC courses in the City of Perris Senior Center located at 100 North D Street

REQUESTED ACTION: That the City Council approve and authorize a Space Use Agreement with (MSJC) in a form approved by the City Attorney

CONTACT: Darren Madkin, Assistant City Manager

BACKGROUND:

In 2010 the City and MJSC partnered with Honda America to offer a Honda technician training program under a lease agreement in a City owned facility downtown. This represented the only post-secondary educational presence in the City at the time. State funding for the program was reduced which led to the program being discontinued after two years. In 2012, the City of Perris entered into Cal State Northridge (CSUN) offered an on-line graduate level Public Administration program on the City Hall campus in the offices at 227 North D Street. CSUN required a minimum number of students in the class to continue to offer the program after the conclusion of a two year program cycle. The enrollment in the CSUN program fell below the minimum number of students required to continue offering the graduate program and was discontinued in 2014. Since that time, there have been no post-secondary classes offered in the City of Perris. At the direction of the education sub-committee, staff pursued post-secondary educational partnership opportunities with nearby colleges and universities. The proposed Space Use Agreement with MSJC presented for consideration is the result of those efforts.

DISCUSSION:

City staff have negotiated a Space Use Agreement with MSJC to offer college level courses in the banquet room at the Perris Senior Center. Initially, the target populations for the courses will include high school students, adults who wish to take general education or Career Technical Education classes nearer to their homes, re-entry students, senior citizens, and youth who might appreciate earning certificates to meet the increasing demand in Perris for a qualified workforce. MSJC is prepared to begin offering a Communications course beginning October through December 2018. Future instruction may include dual enrollment and/or a concurrent enrollment program schedule of general education classes, such as English and math classes as part of a guided pathway to post-secondary education.
The other essential terms of the proposed Space Use Agreement include:

1. Two-year term with the City’s option to grant an additional one-year term.
2. Rent of $1.00 per year.
3. Non-exclusive use of common areas and parking lot.

The space use agreement is attached in substantially final form. If approved, the City Attorney’s office will finalize the agreement and incorporate any minor changes requested by MSJC. If there are substantive changes the agreement will be brought back for further consideration by the City Council.

BUDGET IMPACT: There is no fiscal impact with this action. The City will receive a nominal rent from the lease of the property to MJSC.

Reviewed by:
City Attorney
Assistant City Manager
Director of Finance

Attachment: Space Use Agreement

Consent: X
Public Hearing:
Business Item:
SPACE USE AGREEMENT

BY AND BETWEEN

THE CITY OF PERRIS and

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

[100 NORTH D STREET, PERRIS, CALIFORNIA 92370]
SPACE USE AGREEMENT

THIS SPACE USE AGREEMENT (the “agreement” herein) is executed this _____ day of July, 2018, by and between the CITY OF PERRIS, a municipal corporation and politic (“City”), and Mt. San Jacinto Community College District, a community college duly organized under the laws of the State of California (“MSJC”).

RECATALS

A. This Space Use Agreement involves certain improved real property (the “Property”) in the City of Perris, County of Riverside, California, commonly known as the Perris Senior Center. The Property is located at 100 North D Street, Perris, California 92570.

B. The Property is comprised of one building consisting of congregate rooms, restrooms, and hallways, as shown on the floor plan attached hereto as Exhibit ‘B”. MSJC desires to offer MSJC courses in a portion of the Property specifically known as the banquet room (the “Premises”), which is generally shown on the floor plan attached hereto as Exhibit “B.” The Premises are approximately 1,640 square feet. MSJC acknowledges City intends to use the remaining rooms of the property for City activities.

C. This Space Use Agreement is entered into for the purpose of allowing Perris residents the opportunity to enroll in MSJC courses within the boundaries of the City, in an effort to expand student access to affordable higher education, provide challenging academic and career technical education experiences to qualified citizens, and reduce the costs of a college education for students and their families. Qualified students may be admitted based upon demonstrated ability to handle study and in accordance with Mt. San Jacinto Community College District enrollment policies and procedures. Successful completion of transfer courses will enable students to earn college credit transferable to two-and four-year colleges and universities and satisfy graduation requirements. Successful completion of career technical education courses will allow students to earn college credits, to satisfy graduation requirements, and to assist in the transition to job opportunities or careers.

SPACE USE AGREEMENT PROVISIONS

In consideration of the covenants and agreements contained herein, and incorporating the foregoing recitals and all exhibits hereto, City and MSJC hereby agree as follows:

1.00 SPACE USE AGREEMENT OF PREMISES.

1.01 Premises.

City hereby grants the use of the Premises to MSJC. MSJC agrees that it accepts the Premises “As-Is” and “Where-Is” without any representations or warranties of any nature or kind whatsoever from City.

1.02 Term.
The term of this Space Use Agreement is for two (2) years ("Space Use Agreement Term") commencing on September 01, 2018 ("Commencement Date"), and terminating on September 1, 2020 ("Termination Date"). City may, at City's sole and exclusive option, renew this Space Use Agreement for one additional year. MSJC shall provide 60 days written notice of its intent to request to exercise the option prior to the end of the Term. City may grant MSJC early possession of the Premises prior to the Commencement Date. Any holding over by MSJC after the expiration of the Space Use Agreement Term shall be deemed a month-to-month tenancy upon the same terms and conditions of this Space Use Agreement.

[Notwithstanding the foregoing, this agreement can be terminated by either party and without cause by providing sixty (60) days written notification to the other party prior to the commencement of an academic term. Failure to comply with any element of this agreement is grounds for termination and non-renewal.]

1.03 **Quiet Possession.**

City covenants and agrees with MSJC that MSJC may occupy and enjoy the Premises for the full Space Use Agreement Term, subject to the provisions of this Space Use Agreement.

1.04 **Rent.**

During the Space Use Agreement Term, MSJC shall pay to City and City shall accept from MSJC rent in the amount of One Dollar ($1.00) per year ("Rent"). By execution of this Space Use Agreement, City hereby acknowledges receipt of the rent for the entire Space Use Agreement Term.

1.05 **Payment.**

Rent shall be payable in advance in lawful currency of the United States on the Payment Date, which shall be on or before the first working day of the Space Use Agreement Term beginning with the Commencement Date. By execution hereof, the City acknowledges receipt of the Rent. Rent shall be paid at the address designated for notices or such other place as may be designated in writing by City, without prior demand therefor, and without any deduction or offset whatsoever.

1.06 **Utilities, Assessments, Taxes.**

It is the intent of the parties that the Rent paid hereunder shall be absolutely net to the City. Lessee's initial hours of operation shall be Mondays and Wednesdays from 6:00 p.m. – 10:30 p.m. MSJC shall notify City immediately with respect to any change in hours of operation.

2.00 **DEVELOPMENT OF THE PREMISES.**

2.01 **Construction of Improvements.**

City is not obligated to, and shall not, provide any additional improvements to the Premises.
MSJC shall not construct any improvements on the Premises without City’s written consent, in City’s sole and absolute discretion.

2.02 Ownership of Improvements.

During the term of this Space Use Agreement, title to all improvements constructed or placed on the Premises by MSJC, including buildings, structures, and other tenant improvements are and shall be vested in MSJC, but shall automatically become the property of City upon the expiration or sooner termination of this Space Use Agreement. MSJC shall have the right to retain any furniture or equipment or any personal property of MSJC not affixed to the buildings constructed on the Premises, all of which property (whether classified as real or personal property) shall be the property of MSJC.

2.03 Mechanics’ Liens.

MSJC shall not permit any mechanic’s, materialman’s, contractor’s, subcontractor’s or other lien arising from any work or improvement, for any labor done, services performed, or materials, appliances, transportation, or power used or furnished, however it may arise, to stand against the Premises or any improvement thereon.

3.00 USE OF THE PREMISES.

3.01 Uses.

MSJC shall have the non-exclusive use of the Premises identified on Exhibit “B” as “Assembly 131”; and the restrooms as shown on the floor plan on Exhibit “B” hereto (collectively, “Common Areas”) of the Property, and non-exclusive use of the parking lot adjacent to the Property. The Common Area shall include the restrooms and the lobby area identified on Exhibit “B” as “Women 128, Men 129, and Lobby 123. The foregoing use shall be for MSJC operations only and for no other purposes without City’s written consent, in City’s sole and absolute discretion. MSJC shall not have any right to reserve or otherwise designate parking spaces for the use of its agents, employees, members or patrons. MSJC shall coordinate use of the Common Areas with the City. MSJC shall have no right to subdivide, separate, or partition the Premises. Breach of the provisions of the City’s Municipal Code or any conditions imposed on a particular use pursuant thereto shall be a material breach of this Space Use Agreement and shall be valid and sufficient grounds for City’s termination of this Space Use Agreement.

The Premises shall be accessed on a master key system. MSJC shall be issued a sub-master key to secure the Premises. The Property is a public facility and is used for City activities. The access code for the security system will only be given to MSJC’s designated representatives, namely Dr. Jamail D. Carter, Dean of Instructional Services. Other than its designated representatives, MSJC shall not give the code to anyone else. For security purposes, City reserves the right to change the building security access code periodically. MSJC’s representative will be notified prior to the code change.
3.02 **Compliance with Law.**

MSJC agrees that all operations and activities by or under MSJC on the Premises shall be conducted in compliance with all applicable statues, ordinances, orders, laws, rules and regulations, and the requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and offices thereof, which may be applicable to the Premises or to the use or manner of use of the Premises. MSJC shall indemnify and hold the City harmless against all actions, claims and damages by reason of (i) MSJC’s failure to perform the terms hereof; or (ii) MSJC’s non-observance or non-performance of any statute, ordinance, order, law, rule, regulation and/or governmental requirement related to MSJC’s use and occupancy of the Premises or the condition thereof.

3.03 **Miscellaneous Restrictions.**

MSJC agrees in using the Premises:

(a) Not to commit any waste or suffer any waste to be committed upon the Premises.

(b) Not to perform any acts or carry on any practices that may injure adjoining buildings or property or be a nuisance or menace to other persons or businesses in the area or disturb the quiet enjoyment of any person, nor to conduct or permit to be conducted any public or private nuisance on the Premises.

(c) Not to engage in any activity on or about the Premises that violates any “Environmental Law” (as defined below), and to promptly, at MSJC’s sole cost and expense, take all investigatory and/or remedial action required or ordered by any governmental agency or Environmental Law for clean-up and removal of any contamination involving any “Hazardous Material” (as defined below) created or caused by or under MSJC. The term “Environmental Law” shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Premises including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), 42 U.S.C. Sections 9601 et seq.; (ii) the Resource Conservation and Recovery Act of 1976 (“RCRA”), 42 U.S.C. Sections 6901 et seq.; (iii) California Health and Safety Code Sections 25100 et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq.; (v) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317 et seq.; (vi) California Water Code Section 1300 et seq.; and (vii) California Civil Code Section 3479 et seq., as such laws are amended and the regulations and administrative codes applicable thereto. The term “Hazardous Material” includes, without limitation, any material or substance which is (i) defined or listed as a “hazardous waste”, “extremely hazardous waste”, “restrictive hazardous waste” or “hazardous substance” or considered a waste, condition or pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; and/or (iv) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto to construe the terms “Hazardous Materials” and “Environmental Laws” in their broadest sense. MSJC shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section
25249.5 et seq. MSJC shall provide prompt written notice to Agency of the existence of Hazardous Substances on the Site and all notices of violation of the Environmental Laws received by MSJC. MSJC’s obligations pursuant to this Section shall be referred to in this Space Use Agreement as “Environmental Compliance”.

3.04 Maintenance of Property.

(a) Duty of MSJC to Maintain.

MSJC covenants and agrees for itself, its successors and assigns, and every successor in interest to the Premises or any part thereof, that MSJC shall be responsible for the maintenance of all interior improvements in a neat, clean, and sanitary condition, free from any accumulation of debris or waste materials. MSJC shall place all rubbish in authorized containers. MSJC shall also, together with other tenants of the Property, maintain the Common Areas in a neat, clean, and sanitary condition, free from any accumulation of debris or waste materials.

(b) Right of City to Maintain and Repair.

If MSJC refuses, neglects, or fails to maintain and repair the Premises or Common Areas as required hereunder and to the reasonable satisfaction of City as soon as reasonably possible after written demand, City may enter the Premises and Common Areas at all reasonable times during normal business hours and perform said maintenance or make such repairs or perform any other act required to be performed by MSJC hereunder, without liability to MSJC for any loss or damage that may accrue to MSJC’s merchandise, fixtures, or other property or to MSJC’s business by reason thereof. In the event City makes any repair or maintenance which MSJC has failed to do, then, within ten (10) days following City’s written demand therefor, MSJC shall pay City’s costs in performing such maintenance and making such repairs plus an amount equal to twenty percent (20%) of such cost for City’s overhead. If MSJC fails to make such payment when due, the same shall accrue interest as provided in Section 6.03 and shall be a material breach of this Space Use Agreement, subject to all rights and remedies herein.

(c) Duty of City to Maintain.

City covenants that City shall be responsible for the maintenance of all exterior improvements on the Property. City shall make all necessary replacements, repairs, and alterations to the Property, except MSJC shall be responsible for any damage arising out of MSJC’s use of the Premises.

3.05 Rights of Access.

(a) Generally.

City or the authorized representatives of City may, without prior written or oral notice to MSJC, enter the Premises at all reasonable times during usual business hours for the purposes of inspecting the same. In addition, as provided in Section 3.04, City or its representatives may enter the Premises to make such repairs or reconstruction required or permitted pursuant to this Space Use Agreement or to perform any work therein that may be necessary by reason of MSJC’s default under the terms of this Space Use Agreement.
(b) Public Improvements.

City, for itself and for the City of Perris and other public agencies, at their sole risk and expense, reserves the right to enter the Premises or any part thereof at all reasonable times during normal business hours with as little interference as possible for the purpose of construction, reconstruction, relocation, maintenance, repair or service of any public improvements or public facilities located on the Premises. Any damage or injury to the Premises or to the improvements constructed thereon resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry.

4.00 INDEMNIFICATION AND INSURANCE.

4.01 Insurance.

(a) Casualty.

If during the term, any improvement that may be constructed or placed on the Premises by MSJC or any trade fixtures shall be damaged or destroyed by fire or other insured casualty, MSJC shall, with all reasonable diligence, repair, reconstruct or replace such improvement. Any such repair, reconstruction or replacement shall be at the sole cost and expense of MSJC and, upon the completion thereof, shall be free and clear of all liens and encumbrances of any nature whatsoever, including mechanics’ and material men’s liens. If MSJC fails to commence such repair, reconstruction or replacement with all due speed and diligence, but in no event later than six (6) months following such casualty, City shall have the right, without limitation, to collect all insurance proceeds.

(b) Fire and Extended Coverage Insurance.

Throughout the term of this Space Use Agreement, City shall, at its sole cost and expense, keep or cause to be kept insured for the mutual benefit of City and MSJC all improvements located on or appurtenant to the Premises against loss or damage by fire and such other risks as are now or hereafter included. The amount of the insurance shall be sufficient to prevent either MSJC or City from becoming a coinsurer under the provisions of the policy, but in no event shall the amount be less than eighty percent (80%) of the then actual replacement cost, excluding costs of replacing excavations and foundations, but without deduction for depreciation.

(c) Public Liability Insurance.

(d) Beginning on the Effective Date hereof and throughout the term of the Space Use Agreement, MSJC shall at its sole cost and expense keep or cause to be kept in force for the mutual benefit of City and MSJC comprehensive broad form general public liability insurance against claims and liability for personal injury or death arising from the use, occupancy, disuse or condition of the Premises, improvements or adjoining areas or ways, or for property damage, in an amount not less than no less than $1,000,00.00 per occurrence for all covered losses, including bodily injury, death and property damage, and no less than $2,000,000.00 general aggregate. Defense costs must be paid in addition to limits.
(e) **Other Insurance.**

MSJC may procure and maintain any insurance not required by this Space Use Agreement, but all such insurance shall be subject to all of the provisions hereof pertaining to insurance and shall be for the benefit of City and MSJC.

(f) **Insurance Policy Form, Content and Insurer.**

All insurance required to be provided by MSJC by the express provisions hereof shall be carried only by responsible insurance companies licensed to do business by California, and with a minimum policy holder rating of “A” or “A+” and of financial category Class XI status or better in the most recent edition of Best’s Insurance Guide or similar rating system acceptable to City. All such policies shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act of negligence of City that might otherwise result in the forfeiture of the insurance, (ii) the insurer waives the right of subrogation against City and against City’s agents and representatives; (iii) the policies are primary and noncontributing with any insurance that may be carried by City; and (iv) the policies cannot be cancelled or materially changed except after thirty (30) days notice in writing by the insurer to City or City’s designated representative. The general liability policy shall name City, its officers, employees and agents (“City Parties”) as additional insureds. MSJC shall furnish City with copies of all such policies promptly on receipt of them, or with certificates evidencing the insurance. City shall be named as an additional insured on all policies of insurance required to be procured by the terms of this Space Use Agreement.

(g) **Failure to Maintain Insurance and Proof of Compliance.**

MSJC shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies required hereunder together with evidence satisfactory to City of payment required for procurement and maintenance of each policy within the following time limits:

1. For insurance required at the commencement of this Space Use Agreement, within thirty (30) days after commencement; and

2. For any renewal or replacement of a policy already in existence, at least ten (10) days before expiration or termination of the existing policy.

If MSJC fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish City with required proof that the insurance, has been procured and is in force and paid for, City shall have the right, at City’s election and on five (5) days notice to MSJC, to procure and maintain such insurance. The premiums paid by City shall be treated as added rent due from MSJC, with interest at the rate specified in Section 6.03, to be paid within ten (10) days after demand therefore by City. City shall give MSJC prompt notice of the payment of premiums, stating the amount paid and the names of the insurer or insurers.

(h) [The City Manager, by written consent, may waive or adjust the MSJC’s insurance requirements herein following consultation with the City’s Risk Manager.]
(i) The City will be required to provide to the MSJC a certificate of liability insurance prior to the MSJC providing services as outlined per the terms of this Agreement. The minimum limits of liability will be $1,000,000 for each occurrence (combined single limit for bodily injury and property damage); $1,000,000 for personal and advertising injury liability; $1,000,000 aggregate on products and completed operations; and $2,000,000 for general aggregate. The City will be required to add the MSJC as an additional insured to their insurance policy.

4.02 Indemnification.

(a) General.

MSJC shall indemnify City, its officers, employees, and agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm, or entity arising out of or in connection with the work, operations, or activities of MSJC, its agents, employees, subcontractors, or invitees, hereunder, upon the Premises, whether or not there is current passive, or active negligence on the part of City, its officers, agents, or employees and in connection therewith:

1. MSJC will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

2. MSJC will promptly pay any judgment rendered against City, its officers, agents, or employees for any such claims or liabilities arising out of or in connection with such work, operations, or activities of MSJC hereunder; and MSJC agrees to save and hold City, its officers, agents, and employees harmless therefrom;

3. In the event City, its officers, agents, or employees is made a party to any action or proceeding filed or prosecuted against MSJC for such damages or other claims arising out of or in connection with the work operation or activities of MSJC hereunder, MSJC agrees to pay to City, its officers, agents, or employees, any and all costs and expenses incurred by City, its officers, agents, or employees in such action or proceeding, including but not limited to legal costs and attorneys' fees.

4. The City will indemnify and hold harmless the MSJC, its officers, employees, representatives, agents and volunteers from and against any and all liabilities, losses, claims, demands, suits, damages, causes of action, costs and expenses, including reasonable attorney's fees, arising from personal or bodily injuries, property damage or otherwise, arising out of or in connection with any activity undertaken by the MSJC pursuant to this Agreement hereof; provided that such liabilities, losses, claims, demands, suits, damages, causes of action, costs and expenses are not the result of the negligence or willful misconduct, errors or omissions of the MSJC's officers, employees, representatives, agents or volunteers.

(b) Exceptions.
The foregoing indemnity shall not include the following claims or liabilities:

1. Those arising from the sole or gross negligence or willful misconduct of the City, its officers, agents, or employees, who are directly responsible to City.

2. Any arising from acts or omissions of the City, or those of its officers, agents or employees when acting in their governmental or public capacity or under color of such authority in fulfilling the duties of such offices, as distinct from their duties as City hereunder, whether said acts or omissions occur on the Premises or within the public right of way or on public property.

(c) **Additional Coverage.**

Without limiting the generality of the foregoing, said indemnity shall include any liability arising by reason of:

1. Any claim made by any occupant, subtenant, assignee, employee, agent, visitor, invitee, or user of any portion of the Premises.

2. Any accident or other occurrence in or on the Premises or on any adjoining sidewalk causing injury to any person or property whatsoever;

3. Any failure of MSJC to comply with performance of all of the provisions of this Space Use Agreement;

4. MSJC’s failure to prevent any employee or any invitee or any other person from entering upon or remaining in any place upon the Premises which is not safe and does not comply with all laws pertaining thereto as they may now or hereafter exist.

(d) **Loss and Damage.**

All property of MSJC kept or stored on the Premises shall be so kept or stored at the risk of MSJC. In the event that any subsurface soils condition, including environmental or soil contamination or hazard, results in loss or damage to MSJC, City may subrogate to MSJC any rights which it may have to recover such losses or damages against any third parties who may have legal liability, but only to the extent of the actual losses or damages of MSJC.

(e) **Waiver of Subrogation.**

MSJC agrees that MSJC shall not make any claim against, or seek to recover from City or its agents, servants, or employees, for any loss or damage to MSJC, or to any person or property, including without limitation, the property of others under the control of MSJC, and MSJC shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain from such carrier, a waiver of right to recovery against City, its agents and employees. In furtherance of the foregoing, MSJC agrees that in the event of a sale of the Premises by City, the hereinabove waiver of subrogation shall continue in favor of the original City hereunder, and any subsequent City, and their respective successors and assigns.
5.00 REMOVAL OF PREMISES.

5.01 Destruction of Premises.

Should any of the buildings on the Premises be totally or substantially destroyed by an uninsured peril, so that all or a substantial portion of the Premises are unfit for the conduct of MSJC’s business, MSJC and City each shall have the right, giving thirty (30) days’ prior notice to City, to terminate this Space Use Agreement with respect to the portion of the Premises so affected, and all rent and other charges with respect to such portion of the Premises shall be adjusted to the date of such destruction. This Space Use Agreement shall remain in full force and effect with respect to the unaffected portion of the Premises. If MSJC and/or City elects not to terminate this Space Use Agreement as to any portion of the Premises affected by such destruction, the City shall, within six (6) months, commence and diligently prosecute to completion the restoration of the destroyed buildings or improvements to a condition which will continue to fulfill the conditions, covenants, and requirements contained herein and MSJC shall continue operations in accordance with the terms hereof. Should the Premises, any part thereof, or any improvement thereon be totally or partially destroyed by an insured peril, the City shall promptly cause the restoration of the destroyed improvements to their original condition and shall continue operations in accordance with the terms hereof if City elects not to terminate the Space Use Agreement.

6.00 ENFORCEMENT.

6.01 Default and Grounds For Termination Prior to Expiration of Term.

City shall be entitled to declare a default of this Space Use Agreement and terminate the Space Use Agreement prior to the expiration of the term where MSJC fails to:

(a) Pay rent to City, as rent is defined in Section 1.04;

(b) Procure or maintain insurance pursuant to Section 4.01 hereof;

(c) Discharge any mechanic’s, materialman’s, contractor’s, subcontractor’s or other lien as required by Section 2.03;

(d) Reimburse City for any other loss, fee or charge which is responsibility of MSJC pursuant to this Space Use Agreement;

(e) Pay charges as provided in Section 1.06;

(f) Comply with all applicable governmental statutes, ordinances, rules, regulations, orders and prior covenants and restrictions of record; provided that failure to so comply shall not be a default so long as MSJC is exercising any legal rights to protest or appeal such statute, rule, regulation, order or covenant and restriction, or so long as no official enforcement action has been commenced by the appropriate agency; or

(g) Perform any other material obligation of MSJC contained in this Space Use Agreement.
City shall also be entitled to declare a default of this Space Use Agreement and terminate this Space Use Agreement prior to the expiration of the Term where MSJC:

(1) Makes an unauthorized transfer of this Space Use Agreement without the consent of City; or

(2) Vacates or abandons the Premises.

6.02 Procedure For Termination and Opportunity to Cure.

City may terminate the Space Use Agreement by reason of the foregoing defaults where City has given notice in writing to MSJC specifying the nature of the default and the corrective action required to be taken, and MSJC has not cured such default within thirty (30) days after receipt by MSJC of such notice, or, where the nature of the default is such that it cannot reasonably be cured within such thirty (30) days, then MSJC shall not be in default so long as MSJC commences the actions necessary for cure within such thirty (30) days and diligently prosecutes the same to completion.

City may waive any default hereunder, but such waiver shall not be construed as a waiver of any other default. No acceptance of rent by City or delay in enforcing any obligation shall be construed as a waiver of any default by MSJC. Except as required to protect against further damages, the injured party may not institute legal proceedings against the party in default until after giving the notice required in this Section.

6.03 Interest.

MSJC acknowledges that late payment by MSJC of rent or any sums due hereunder will cause City to incur costs not contemplated by this Space Use Agreement, the exact amount of which will be extremely difficult to ascertain. Any rent or sums due hereunder paid after the due date shall accrue interest commencing ten (10) days following the due date at the rate of one percent (1%) per month or the legal rate, whichever is more, compounded monthly. The parties agree that the foregoing amounts represent a reasonable interest rate, and a fair and reasonable estimate of the cost that City will incur by reason of such late payment. Acceptance of any late payment charge shall not constitute a waiver of any default nor prevent City from exercising any other rights or remedies granted hereunder.

6.04 Surrender of Premises.

(a) General.

In the event of any termination of the Space Use Agreement, whether by lapse of time, cancellation, forfeiture, default, or otherwise, MSJC shall immediately surrender and deliver the Premises to City, and all rights and claims of MSJC in and to use and enjoyment of such Premises shall cease. Such termination shall not release the MSJC from any liability which accrued under this Space Use Agreement to City prior to such termination.

(b) Condition of Premises.
Except as otherwise provided in Section 5.01, upon said termination, MSJC shall surrender the Premises neat and clean, in good and tenantable condition, reasonable wear and tear excepted. MSJC shall do all work and make all repairs necessary to place the Premises in said condition at MSJC’s sole expense, and should MSJC fail to do such work and make such repairs after receipt of City’s demand to do so, City may perform such work, and MSJC shall reimburse City for the expense thereof within ten (10) days after being invoiced therefor by City.

(c) Removal of Property.

Upon termination, and provided MSJC is not in default hereunder, MSJC shall have the right to remove from the Premises all furniture, furnishings, fixtures, and equipment placed in the Premises, provided that MSJC shall make all repairs to the Premises required because of such removal. If any of such property shall remain in the Premises after the end of the term hereof, such property shall be and become, at the option of City, the property of City without any claim therein of MSJC; provided that City may direct MSJC to remove such property and if MSJC fails to remove such when directed to do so by City, then City may remove such property and MSJC shall reimburse City for the expense thereof within ten (10) days after being invoiced therefor by City.

(d) Quitclaim Deed.

Upon termination, MSJC shall execute a quitclaim deed quitclaiming all of its right, title, and interest in and to the Premises to City.

(e) Holding Over.

This Space Use Agreement shall terminate and become null and void without further notice upon expiration of the term herein specified, and any holding over by MSJC after such expiration shall not constitute a renewal hereof or give MSJC any rights under this Space Use Agreement. If MSJC fails to surrender the Premises, MSJC shall indemnify and hold City harmless from all loss or liability, including any claims made by any succeeding occupant.

6.05 Legal Actions.

(a) Institution of Legal Actions.

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Space Use Agreement. Legal actions must be instituted and maintained in the Superior Court of the County of Riverside, State of California.

(b) Applicable Law and Forum.

The laws of the State of California shall govern the interpretation and enforcement of this Space Use Agreement.

6.06 Rights and Remedies are Cumulative.
Except as otherwise expressly stated in this Space Use Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

6.07 Waiver.

Except as otherwise provided in this Space Use Agreement, waiver by either party of the performance of any covenant, condition, or promise, shall not invalidate this Space Use Agreement, nor shall it be considered a waiver of any other covenant, condition, or promise. Waiver by either party of the time for performing any act shall not constitute a waiver of time for performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right as to any default shall not operate as a waiver of any default or of any rights or remedies or to deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

6.08 Attorney’s Fees.

If either party to this Space Use Agreement is required to initiate or defend any action or proceeding in any way connected with this Space Use Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to receive reasonable attorney’s fees from the other party. Attorney’s fees shall include attorney’s fees on any appeal, and in addition a party entitled to attorney’s fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

7.00 GENERAL PROVISIONS.

7.01 Time of Essence.

Time is of the essence of each and every covenant, term, condition, and provision of this Space Use Agreement.

7.02 Nonliability of City Officials and Employees; Conflicts of Interest; Commissions.

(a) Personal Liability.

No member, official, employee, agent or contractor of City shall be personally liable to MSJC in the event of any default or breach by City or for any amount which may become due to MSJC or on any obligations under the terms of the Space Use Agreement; provided, it is understood that nothing in this Section 7.02 is intended to limit City’s liability.

(b) Financial Interest.
No member, official, employee or agent of City shall have any financial interest, direct or indirect, in this Space Use Agreement, nor participate in any decision relating to this Space Use Agreement which is prohibited by law.

(c) **Commissions.**

Neither the City nor the MSJC has retained any broker or finder or has paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Space Use Agreement. Neither party shall be liable for any real estate commissions, brokerage fees or finders' fees which may arise from this Space Use Agreement, and each party agrees to hold the other harmless from any claim by any broker, agent, or finder retained by such party.

**7.03 Assignment.**

MSJC shall not assign or transfer this Space Use Agreement or any of MSJC's rights hereunder, or any interest in the Premises or in the improvements thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of City, and if so purported to be transferred, the same shall be null and void.

**7.04 No Partnership.**

Notwithstanding any other express or implied provision of this Space Use Agreement, City shall not in any way or for any purpose become or be deemed to be a partner of MSJC in its business or otherwise or a joint venturer, or a member of any joint enterprise with MSJC.

**7.05 Severability.**

If any covenant, term, condition, or provision of this Space Use Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Space Use Agreement shall be valid and enforceable to the fullest extent permitted by law unless that covenant, term, condition, or provision declared to be invalid is so material that its invalidity deprives either party of the basic benefit of their bargain or renders the remainder of this Space Use Agreement meaningless.
7.06 **Interpretation.**

The terms of this Space Use Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Space Use Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Space Use Agreement. As used in this Space Use Agreement and whenever required by the context thereof, each number, both singular or plural, shall include all numbers, and each gender shall include all genders. City and MSJC, as, used in this Space Use Agreement or in any other instrument referred to in or made a part of this Space Use Agreement shall likewise include both the singular and the plural, a corporation, co-partnership, individual, or person acting in any fiduciary capacity as executor, administrator, trustee, or in any other representative capacity, and all successors and assigns. All covenants herein contained on the part of MSJC shall be joint and several.

7.07 **Integration Clause.**

It is understood that there are no oral agreements between the parties hereto affecting this Space Use Agreement and this Space Use Agreement supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements, and understandings, if any, between the parties hereto or displayed by City to MSJC with respect to the subject matter thereof, and none shall be used to interpret or construe this Space Use Agreement. This Space Use Agreement includes all exhibits attached hereto, which by this reference are incorporated herein, and also includes any other documents incorporated herein by reference as though fully set forth herein. Said documents shall be interpreted insofar as possible to prevent any inconsistency and to effectuate the terms thereof, without one prevailing over the other.

7.08 **Notices, Demands and Communications Between the Parties.**

Except as expressly provided to the contrary herein, any notice, consent, report, demand, document or other such item to be given, delivered, furnished or received hereunder shall be deemed given, delivered, furnished, and received when given in writing and personally delivered to an authorized agent of the applicable party, or upon delivery by the United States Postal Service, first-class registered or certified mail, postage prepaid, return receipt requested, or by a national “overnight courier” such as Federal Express, at the time of delivery shown upon such receipt; in either case, delivered to the address, addresses and persons as each party may from time to time by written notice designate to the other and who initially are:

If to MSJC: MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
1499 North State Street
San Jacinto, California 92583
Attention: Business Services
Tel: (951) 487-3011
Fax: (951) 654-6236
If to City: CITY OF PERRIS  
101 North “D” Street  
Perris, California 92570  
Attention: City Manager  
Tel: (951) 943-6100  
Fax: (951) 943-4246  

A copy to: ALESHIRE & WYNDER, LLP  
18881 Von Karman Avenue, Suite 400  
Irvine, California 92612  
Attention: Eric L. Dunn, City Attorney  
Tel: (949) 223-1170  
Fax: (949) 223-1180  

7.09 Amendments.  

Any amendment of or supplement to, this Space Use Agreement must be in writing and signed by City and MSJC or their respective successors in order to become effective.  

7.10 No Warranties.  

City makes no warranty, representation, contract, agreement, or statement concerning the use, occupancy, or suitability of the Premises for the use of the Premises as set forth in this Space Use Agreement, or with respect to the condition of title with respect thereto, or the means, mode, or manner or construction of any buildings or improvements, or the adequacy or fitness thereof for any use or occupancy, or the accuracy or validity of any statement, representation, warranty, agreement, or document by any other person, party, or entity, unless expressly set forth herein as an agreement of City.  

7.11 Execution.  

(a) This Space Use Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.  

(b) City represents and warrants that: (i) it is duly organized and existing under the laws of the State of California; (ii) by proper action of City, City has been duly authorized to execute and deliver this Space Use Agreement, acting by and through its duly authorized officers; and (iii) the entering into this Space Use Agreement by City does not violate any provision of any other agreement to which City is a party.  

(c) MSJC represents and warrants that: (i) it is duly organized and existing under the laws of the State of California; (ii) by proper action of MSJC, MSJC has been duly authorized to execute and deliver this Space Use Agreement, acting by and through its duly authorized officers; and (iii) the entering into this Space Use Agreement by MSJC does not violate any provision of any other agreement to which MSJC is a party.
[End – Signatures on Next Page]
IN WITNESS WHEREOF, City and MSJC have executed this Space Use Agreement as of the date first written above.

“CITY”

CITY OF PERRIS

Dated: ____________________________

By: ________________________________

Richard Belmudez, City Manager

ATTEST:

By: ________________________________

Nancy Salazar, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: ________________________________

Eric L. Dunn, City Attorney

“MSJC”

MT. SAN JACINTO COMMUNITY
COLLEGE DISTRICT
1499 North State Street
San Jacinto, California 92583

Dated: ____________________________

By: ________________________________

Beth Gomez, Vice President of Business Services

Attest:

By: ________________________________

Name: ______________________________

Title: ______________________________
Exhibit “A”

SPACE USE AGREEMENT

SITE MAP

[ATTACHED]
Exhibit “B”

SPACE USE AGREEMENT

FLOOR PLAN

[ATTACHED]
SUBJECT: Propose Perris Fair Day on opening day of the Southern California Fair scheduled on Saturday, October 6, 2018

REQUESTED ACTION: That the City Council consider and approve a Contract Services Agreement with the Southern California Fairgrounds to host Perris Fair Day on opening day of the 2018 Southern California Fair.

CONTACT: Sabrina Chavez, Director of Community Services and Housing

BACKGROUND/DISCUSSION:

In previous years, the Perris Fair Day at the Southern California Fair ("Fair") has been scheduled during the weekday, whereas residents received free admission, but had limited hours to enjoy the Fair, due to their families’ work and school schedules. On October 10, 2017, City Council directed staff to coordinate with Fair organizers and discuss details needed to host the Perris Fair Day on a Saturday, in order to provide residents the opportunity, to enjoy the full day at the Fair. The 2018 Southern California Fair is scheduled from October 6 through October 14.

As a result of subsequent meetings with Mr. Carl Wuersch, CEO, and Fair Committee, it is their request of a three-year contract with the City, at a total cost of $10,000 per year, to provide all-day Saturday, free admission to residents, not including parking. The Perris Fair Day would be held on the opening day of the Fair, scheduled on Saturday, October 6, 2018. Residents would be granted free admission throughout the full day of the Fair, operating between the hours from 11:00 a.m. to 8:00 p.m.

The Parks and Recreation Committee was briefed on these details on May 16, 2018, and requested follow-up details verifying admission restrictions. Proof of residency would be required at entry, and there would be no restrictions to the number of family members admitted, as confirmed by Mr. Wuersch. It was further discussed, that the City had previously contributed $5,000 per year, for three years, to host Perris Fair Day on a weekday.

At this time, staff recommends that the City Council review and consider the attached draft contract services agreement in an amount not to exceed $30,000, with the Southern California Fair, as part of the City’s contribution for Perris Fair Day to be held on opening day. Moving forward with this request, would require an amendment to the Community Services budget by allocating funds from the general fund reserves to the Leisure line item budget (14042) by $10,000 per year, for the next three years.
**FISCAL IMPACT:** Costs for contract services agreement requires City Council approval of a budget amendment to provide for the next three consecutive fiscal years 2018-2019, 2019-2020, and 2020-2021, by allocating a total of $30,000 ($10,000 per year) from the General Fund to the Community Services Budget (001-4042).

<table>
<thead>
<tr>
<th>Prepared by:</th>
<th>Sabrina Chavez, Director of Community Services and Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Attorney:</td>
<td>Eric Dunn</td>
</tr>
<tr>
<td>Assistant City Manager:</td>
<td>Darren Madkin</td>
</tr>
<tr>
<td>Finance Director:</td>
<td>Jennifer Erwin</td>
</tr>
</tbody>
</table>

**Attachments:**
- Draft Contract Services Agreement
- Southern California Fair Letter of Proposal

**Consent:** X

**Public Hearing:**

**Business Item:**

**Workshop:**
CITY OF PERRIS

CONTRACT SERVICES AGREEMENT FOR

PERRIS FAIR DAY AT THE SOUTHERN CALIFORNIA FAIR

This Contract Services Agreement ("Agreement") is made and entered into this 31 day of July, 2018, by and between the City of Perris, a municipal corporation ("City"), and Southern California Fair, a ("Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City and any federal, state or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain, at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of thirty thousand ($30,000) ("Contract Sum").

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid upon receipt of an invoice, in a form approved by the City Manager, describing the services performed, thirty (30) days prior to event.
3.0 COORDINATION OF WORK

3.1 Representative of Consultant. Mr. Carl Wucersch, CEO is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The City's City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City may designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth on Exhibit "A". Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than $1,000,000.00 per occurrence for all covered losses and no less than $2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than $1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non owned, leased and hired cars.
(d) **Professional Liability or Error and Omissions Insurance.** A policy of professional insurance in an amount not less than $1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

4.2 **Indemnification.**

(a) **Indemnity for Professional Liability.** When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) **Indemnity for Other Than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability
(including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

5.0 TERM

5.1 Term. Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect until October 2021.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Consultant shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

6.0 MISCELLANEOUS

6.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 Conflict of Interest. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any state statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the City's execution of this Agreement, Consultant shall provide the City with an executed statement of economic interest.

6.4 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail, in the case of the City, to the City Manager and to
the attention of the Contract Officer, City of Perris, 101 North “D” Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

6.6 Integration: Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by a writing signed by both parties.

6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorneys' Fees. If either party to this Agreement is required to initiate, defend or make a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

6.10 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

By: ____________________________
   Nancy Salazar, City Clerk

By: ____________________________
   Richard Belmudez, City Manager

"CITY"
CITY OF PERRIS

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: ____________________________
   Eric L. Dunn, City Attorney

"CONSULTANT"
Southern California Fair
Carl Wuersch, CEO

By: ____________________________
   Signature

Print Name and Title

By: ____________________________
   Signature

Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]
EXHIBIT "A"

SCOPE OF SERVICES

Three-year agreement at a total cost of $10,000 per year, to provide all day Saturday, free admission to residents, not including parking. Perris Fair Day will be held on opening day of the Fair. Residents will be granted free admission throughout the full day of the Fair, operating between the hours from 11:00 am-8:00 pm.

Residents will have to provide proof of residency with a current valid ID, Driver License or a household utility bill. Each proof of residency will admit a total of four (4) patrons.
The Contractor Agrees:

1. To Participate as a sponsor for three years, 2018, 2019 and 2020 for Southern California Fair to be held October 6th-14th 2018 at the Lake Perris Fairgrounds 18700 Lake Perris Drive Perris, CA 92571.

2. To pay a sponsorship fee of $10,000.00 in 2018, 2019 and 2020. 2018 sponsorship fee to be paid on or before 10/01/2018.

3. Southern California Fair to provide a Stage with sponsorship banner for the City of Perris in Heritage Village for the duration of the fair 10/06/2018 to 10/14/2018.

4. To provide City Vehicles and/or City Boat for display with delivery on or before 10/07/2018 and to be removed by 10/19/2018.

5. To provide all personnel for the City of Perris booth. Hours are: weekdays Mon – Thurs 4p.m. – 11p.m. and Fri 10a.m. – 11p.m. and weekends are 11a.m. – 11p.m. The booth will be a 10x10 for the duration of the fair.

6. To hang two Southern California Fair banners located in the City of Perris. Location to be determined by City.

7. To provide insurance coverage as per CFSA’s attached requirements.
EXHIBIT "B"

SPECIAL REQUIREMENTS

[Not applicable]
EXHIBIT "C"

SCHEDULE OF COMPENSATION

Total Contract cost $30,000 for three (3) years effective: 2018-2019, 2019-2020, and 2020-2021. Payment will be $10,000 per year prior to the event. Southern California Fair will provide an invoice thirty (30) days prior to the event.
SUBJECT: Contract Services Agreement with Pacific Graphics for professional printing and mailing services of the On Track in Perris Newsletter.

REQUESTED ACTION: That the City Council Approve a Contract Services Agreement with Pacific Graphics, Inc. for the printing and mailing of the On Track in Perris Newsletter in an amount not to exceed $55,000.

CONTACT: Sabrina Chavez, Director of Housing & Community Services

BACKGROUND/DISCUSSION:

In June 2017, staff requested proposals from qualified vendors to competitively bid the print and mailing services of the On Track in Perris Newsletter (“newsletter”) online via Active Bidder. Two bids were received, and Pacific Graphics, Inc. (“PGI”) was selected to provide services for one year with a contract period ending on June 30, 2018.

For the past year, PGI has worked efficiently with City staff, maintaining communication from the start to the release date of the newsletter, while completing the project within the approved timeline and budget. PGI has 27 years of experience providing professional marketing and business communications services. They provide full service resources for commercial lithographic offset, digital, and wide-format printing, mailing, fulfillment and distribution services. PGI has extensive experience working with corporate organizations, higher education institutions, and governmental agencies such as Cities of San Marino, Santa Clarita, Pico Rivera, Temple City, Burbank, Riverside, and Counties of Orange, San Bernardino, and Riverside.

Within PGI’s contractual period, a mid-year budget amendment was discussed at the Parks and Recreation Committee and approved by City Council to account for an increase of 9,000 residences that were not included in the mailing distribution of the newsletter. To offset the increased cost in services, the total number of newsletter pages was reduced from 44 pages to 32 pages, and PGI’s budget increased by $3,000, totaling $54,000 for the year. The remaining amount from the media budget is reserved to cover expenses accrued by a separate vendor, for the graphic design of the entire newsletter, to include special event and community program flyers.

The City publishes the newsletter three times per year, consisting of the Winter/Spring, Summer and Fall issues. The City newsletter is distributed to Perris residents only, not including businesses. Since, there has been a slight increase of 237 additional residences. The total number of 22,911 printed newsletters will remain the same, however, the total number of copies to be delivered to City Hall, will be reduced to maintain the budget. Moving forward for the upcoming issues, 21,148 newsletters will be mailed to Perris residents, and 1,763 newsletters will be delivered to City Hall. Generally, 2,000 copies are delivered to City Hall, however, this gap will be supplied to City, by the Perris Post Office with the number of newsletters that are undeliverable due to vacant residences.
The total 2018-2019 Fiscal Year Budget for Media is $70,000, which covers expenses accrued for the graphic design, printing and mail distribution of the newsletter. Staff recommends that the City Council approve the attached professional contract services agreement in an amount not to exceed $55,000 with Pacific Graphics, Inc, for a one year term, with an option to extend term.

BUDGET IMPACT: The costs for printing and postal services are provided in the Fiscal Year 2018-2019 Community Services Media budget. There is sufficient funding in the Media program budget for this agreement.

PREPARED BY: Cynthia Mendez, Recreation Supervisor

Reviewed by:
Assistant City Manager:
Finance Director:

Attachments: Draft Contract Service Agreement

Consent: X
CITY OF PERRIS

CONTRACT SERVICES AGREEMENT FOR

Professional Printing and Mailing Services

This Contract Services Agreement ("Agreement") is made and entered into this 31 day of July, 2018, by and between the City of Perris, a municipal corporation ("City"), and Pacific Graphics, Inc. ("Consultant").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City and any federal, state or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain, at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of Fifty Five Thousand Dollars ($55,000) ("Contract Sum").

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid in a lump sum payment at completion of each issue.
3.0 COORDINATION OF WORK

3.1 Representative of Consultant. Yvonne Wasson, President is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The City's City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City may designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth on Exhibit "A". Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than $1,000,000.00 per occurrence for all covered losses and no less than $2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than $1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non owned, leased and hired cars.
(d) **Professional Liability or Error and Omissions Insurance.** A policy of Professional Liability insurance in an amount not less than $1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

4.2 **Indemnification.**

(a) **Indemnity for Professional Liability.** When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) **Indemnity for Other Than Professional Liability.** Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability
(including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defence costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

5.0 TERM

5.1 Term. Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect until August 31, 2019, with an option to extend.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Consultant shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

6.0 MISCELLANEOUS

6.1 Covenant Against Discrimination. Consultant covenants that, by and for its own, its heirs, executors, assigns and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 Conflict of Interest. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any state statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the City's execution of this Agreement, Consultant shall provide the City with an executed statement of economic interest.

6.4 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served
personally or sent by prepaid, first class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North “D” Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

6.6 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by a writing signed by both parties.

6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorneys' Fees. If either party to this Agreement is required to initiate, defend or make a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

6.10 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

By: ____________________________
    Nancy Salazar, City Clerk

By: ____________________________
    Richard Belmudez, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: ____________________________
    Eric L. Dunn, City Attorney

"CONSULTANT"
PGI-Pacific Graphics, Inc.
1938 E. Nelson Avenue
City of Industry, CA 91744

By: ____________________________
    Signature
    Yvonne Wasson, President

By: ____________________________
    Signature
    Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)
EXHIBIT "A"

SCOPE OF SERVICES

[Attached]
CITY OF PERRIS - COMMUNITY SERVICES DEPARTMENT  
"ON TRACK IN PERRIS" NEWSLETTER 2018-2019 (32 pages + Cover)  

PRINTING & MAILING SERVICES - ITEMIZED BUDGET  
EDDM Mail 21,333 + Deliver to City 1,578 = Total 22,911  

**FALL 2018 (Sep - Dec 2018)**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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<tbody>
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**WINTER/SPRING 2019 (Jan - Apr 2019)**  

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**Grand Total**                                    | **$54,120.48**
EXHIBIT "B"

SPECIAL REQUIREMENTS

[Not Applicable]
EXHIBIT "C"

SCHEDULE OF COMPENSATION

[Attached]
CITY OF PERRIS - COMMUNITY SERVICES DEPARTMENT
"ON TRACK IN PERRIS" NEWSLETTER 2018-2019 (32 pages + Cover)

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Grand Total                                   | $54,120.48 |
Meeting Date: July 31, 2018

SUBJECT: Approve CERBT and PARS agreements for Prefunding OPEB and Pension Liabilities in the Future

REQUESTED ACTION: Approve an agreement and resolution with CERBT and an agreement and resolution with PARS to Setup Two Section 115 Irrevocable Trust Accounts for Prefunding OPEB and Pension Liabilities, Authorize the City Manager to Execute the Agreements, and Receive Long-Term Projections of Future OPEB and Pension Liabilities

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION:

The Ways & Means Subcommittee and City Council tasked staff with obtaining a 10-20-30 year projection of future retirement liabilities and looking into the option of prefunding for both OPEB and pension. **Attached to this staff report are the long-term projections for OPEB and pension.** Staff also met with the two exclusive providers of trust accounts allowed to be used for offsetting/prefunding the liabilities, CalPERS' California Employers' Retiree Benefit Trust Fund (CERBT) and Public Agency Retirement Services (PARS). Both agencies offer OPEB prefunding, but PARS is now also offering a second type of trust account for prefunding pension liabilities.

Both CERBT and PARS are very similar and offer their own investment management team to manage any funds deposited into the trust accounts. The City would elect a specific investment strategy for them to follow and a fee would be charged to the account each month based on the balance of the account (only once the account has money in it will a fee be charged). In evaluating both firms the fee was an important factor. PARS’ fee is 0.25 basis points of the balance of the account while CERBT’s fee is 0.10 basis points. The main reason for the fee difference is the structure of the firms. CERBT is a division of CalPERS and utilizes CalPERS' investment team allowing them to charge less for their services, but PARS partners with US Bank (custodian) and HighMark Capital Management (investment management) so their fee is understandably higher than CERBT. Staff first considered using one firm, PARS, since they offered both types of accounts needed (one for OPEB and one for pension). Staff determined if we were to utilize PARS for pension prefunding and CERBT for OPEB prefunding we could save 0.15 basis points.

Staff recommended to Ways & Means that we setup two separate trust accounts, one with each firm, to make prefunding payments to in the future. The Ways & Means Subcommittee has recommended to the City Council the same for this agenda item. The two separate accounts would be setup upon the approval of the agreements by the City Council and there is no obligation to deposit funds into them. It is up to the City to set a policy for funding the
accounts and authorizing staff to make transfers to the accounts as needed. This agenda item presented tonight, however, is only to approve the documents allowing for the accounts to be setup and authorizing certain staff as account administrators. Future agenda items will be presented to the City Council to approve a funding policy and select an investment strategy.

Other Post-Employment Benefits
Other post-employment benefits (OPEB) are other non-retirement benefits payable to retirees and their beneficiaries. The City of Perris offers a health insurance benefit for employees who retire from the City with at least 10 years of service. The percentage of premiums paid by the City toward a retiree’s health insurance premiums varies by employee group, length of service, and date of hire. Currently, the City of Perris, like many other governmental entities, funds this OPEB benefit on a “pay-as-you-go” basis.

Government Accounting Standards (GASB 75 – effective FY 17/18) require public employers to report OPEB liabilities in their financial statements and implements a number of different actuarial inputs used to calculate the overall impact of OPEB in the City’s future. Life span, current age, retirement age, length of service, percentage of vesting, discount rate based on investment returns, and changing health care costs are just some of those inputs. The City of Perris, in compliance, with GASB 75, contracts for OPEB actuarial valuations every two years. At June 30, 2018, the date of the most recent actuarial report, 52 retired employees were receiving this benefit and 75 active employees were accruing benefits. The City’s unfunded liability, or amount unpaid for potential future benefits due to our employees, was $16.1 million ($6.3M for active employees and $9.8M for retired employees). This liability is expected to increase because the City does not “pay-down” or prefund the accrued amount.

As benefits accrue for all staff members, the City is only paying for the very small amount, in comparison to the total, for retired employees receiving benefits. Anyone who has not yet retired and is still accruing benefits will eventually pose a cost to the City, but it could be many years before that occurs. In order to reduce the cost burden to be realized in future years/generations and the only way allowed to offset the liability in the financial statements is to use an IRS recognized Section 115 irrevocable trust for prefunding.

Pension Benefits
Pension benefits are similar to OPEB in that they accrue over the period of service of each employee. An actuarial calculation provided by CalPERS each year shows the minimum amounts the City must pay, similar to the “pay-as-you-go” for OPEB, and the amount of unfunded liability the City has accrued. CalPERS then amortizes the unfunded liability over a period of 30 years. Each year the City pays the minimum amount shown in the valuation report which includes a small portion of the amortized unfunded liability.

The most recent valuation report provided by CalPERS indicates the City of Perris’ unfunded liability is $10.1M as of June 30, 2018 for classic members and those employees hired after January 1, 2013. For the public safety plan that is no longer active, the liability is $3.5M as of June 30, 2018.

In the past, prefunding pension costs was not an option local governments could exercise. Paying CalPERS a lump sum over the minimum amounts due would not equate to a dollar-for-dollar prepayment and subsequent reduction of the unfunded liability. Unlike OPEB, the
liability is amortized over a fixed number of years so the unending growth factor is not necessarily the major issue with respect to the unfunded liability. Increased costs for pensions are likely to be seen in the minimum amount paid each year, which is why so many jurisdictions are concerned. These cost increases are going to occur mostly in the short-term and can be attributed to lower than expected investment returns and CalPERS’ plan to change their amortization policy (reducing the number of years from 30 to 20) for the unfunded liability in future years.

Prepayment of pension costs is allowable through the IRS recognized Section 115 irrevocable trust, similar to OPEB. Funds placed in the irrevocable trust for pensions would not only offset the unfunded liability but also could be used to “smooth” major increases to the annual minimum amounts due as they are realized in future years.

**Internal Service Code Section 115 Irrevocable Trust**

An irrevocable trust is established in compliance with Internal Revenue Code Section 115 and has the following characteristics:

1. Employer contributions are irrevocable;

2. Assets are dedicated to providing benefits to retirees and beneficiaries in accordance with the terms of the plan; and

3. Assets are legally protected from creditors of the employer or the plan administrator.

In addition to setting aside assets to offset the liability, entering into an investment management agreement with the two chosen trust providers will allow the City to make long-term investments to match its long-term obligations. Per the California Government Code, investments of public funds are limited to certain instruments, but funds set aside in an irrevocable trust can be invested in higher yielding, longer term, and more diverse instruments not allowed in the Government Code (this is subject to the investment strategy chosen by the City Council).

**Setting Up and Funding Two Separate Trusts**

Many steps are required to set up and implement a policy for funding the trusts. Tonight’s agenda items is only for the setup of the two separate accounts to be designated for 1) OPEB prepayment and 2) Pension prepayment. Creation of a funding policy and selection of an investment strategy will be future items brought before the City Council for consideration. Each trust account can be setup now and there is no obligation to fund them until the City Council is ready. Staff has discussed with Ways & Means the future items to be addressed that include creating a funding policy and timing of the first cash transfer but no final recommendation has been identified at this time.

Nonetheless, no transfers will be performed by staff prior to a funding policy and investment strategy being approved by Ways & Means and the City Council.

**Requested Action**

Staff is requesting the City Council approve the resolutions for and the agreements with CERBT to setup an account for prefunding OPEB and PARS to setup an account for
prefunding pension as presented, as well as authorize the City Manager to execute the agreements.

BUDGET (or FISCAL) IMPACT: None.

Reviewed by:
City Attorney
Assistant City Manager
Director of Finance

Attachments:

OPEB:
1. Agreement with CERBT
2. Resolution for account setup and staff designation with CERBT
3. List of CERBT contracting agencies
4. OPEB long-term projections

Pension:
5. Agreement with PARS
6. Resolution for account setup and staff designation with PARS
7. List of PARS contracting agencies
8. Pension long-term projections

Consent
Attachment #1
CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

AGREEMENT AND ELECTION OF

(NAME OF EMPLOYER)

TO PREFUND OTHER POST-EMPLOYMENT BENEFITS THROUGH CalPERS

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) (NAME OF EMPLOYER) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

Rev 11/1/2017
NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
CERBT (OPEB)
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
CERBT (OPEB)
400 Q Street
Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.
C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board’s use in financial reporting, and shall be prepared at least as often as the minimum frequency required by applicable GASB OPEB Standards. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB OPEB Standards, may be prepared as an Alternative Measurement Method (AMM) report.

(a) Unless qualified under GASB OPEB Standards, to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board’s use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:

1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;

2) prepared in accordance with generally accepted actuarial practice and GASB OPEB Standards; and;

3) provided to the Board prior to the Board’s acceptance of contributions for the valuation period or as otherwise required by the Board.

(b) If qualified under GASB OPEB Standards, Employer may provide to the Board an AMM report. Such report shall be for the Board’s use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:

1) affirmed by Employer’s external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB OPEB Standards;

2) prepared in accordance with GASB OPEB Standards; and,

3) provided to the Board prior to the Board’s acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report for financial reporting purposes submitted to it, but shall not unreasonably do so. In the event that the Board
determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report for financial reporting purposes acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB OPEB Standards. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. Contributions can be made at any time following the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts are maintained for each employer so that the Employer's assets will provide benefits only under the Employer's post-employment benefit plan(s).

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among participating employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.
(6) If Employer’s assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer’s Prefunding Account at least annually reflecting the balance in Employer’s Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB OPEB Standards.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer’s request for disbursement shall be in writing signed by Employer’s authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS’ liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer’s Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.
H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer’s participation in the Prefunding Plan if:

(a) Employer gives written notice to the Board of its election to terminate;

(b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board’s rules or regulations.

(2) If Employer’s participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer’s Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer’s participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer’s participation in the Prefunding Plan terminates, disbursements from Employer’s Prefunding Account may continue upon Employer’s instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

(a) A trustee to trustee transfer of the assets in Employer’s Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board’s fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer’s Prefunding Account as of the date of the transfer (the “transfer date”) and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.

(b) A disbursement of the assets in Employer’s Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board’s fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the
Board shall then have one hundred fifty (150) days from the date of such
determination to effect the disbursement. The amount to be disbursed
shall be the amount in the Employer’s Prefunding Account as of the date
of the disbursement (the “disbursement date”) and shall include
investment earnings up to an investment earnings allocation date
preceding the disbursement date. In no event shall the investment
earnings allocation date precede the disbursement date by more than 150
days.

(6) After Employer’s participation in the Prefunding Plan terminates and at such time
that no assets remain in Employer’s Prefunding Account, this Agreement shall
terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in
Employer’s Prefunding Account shall be paid to Employer after retention of (i) amounts
sufficient to pay post-employment health care benefits and other post-employment
benefits to annuitants for current and future annuitants described by the employer’s
current substantive plan (as that term is used in GASB OPEB Standards), and (ii)
amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer’s Prefunding Plan continues to exist and if
no provision has been made by Employer for ongoing payments to pay post-
employment health care benefits and other post-employment benefits to annuitants for
current and future annuitants, the Board is authorized to and shall appoint a third party
administrator to carry out Employer’s Prefunding Plan. Any and all costs associated
with such appointment shall be paid from the assets attributable to contributions by
Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph
A., the Board shall take whatever action it deems necessary to preserve the tax-exempt
status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of
this Agreement. Employer shall ensure that books and records of subcontractors,
suppliers, and other providers shall also be accurately maintained. Such books and
records shall be kept in a secure location at the Employer’s office(s) and shall be
available for inspection and copying by CalPERS and its representatives.

(2) Audit.

(a) During and for three years after the term of this Agreement, Employer
shall permit the Bureau of State Audits, CalPERS, and its authorized
representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

(b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

(a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:

1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.

2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written
confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

(b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

(c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.

(d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(5) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and
signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(6) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer’s Governing Body at a public meeting held on the ______ day of the month of ________________ in the year __________, authorized entering into this Agreement.

Signature of the Presiding Officer: ________________________________
Printed Name of the Presiding Officer: ________________________________
Name of Governing Body: ________________________________
Name of Employer: ________________________________
Date: ________________________________

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

BY

ARNITA PAIGE
CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: ________________________________
RESOLUTION NUMBER ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE AGREEMENT AND ELECTION TO PREFUND OTHER POST-EMPLOYMENT BENEFITS (OPEB) WITH THE CALIFORNIA EMPLOYERS' RETIREMENT BENEFIT TRUST FUND (CERBT) ADMINISTERED THROUGH THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) AND APPROVE THE DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

WHEREAS, the City provides required health insurance benefits to retirees, also known as Other Post-Employment benefits (OPEB), and currently funds its OPEB benefits on a "pay-as-you-go" basis; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) has established the California Employers' Retiree Benefit Trust (CERBT) to manage OPEB funds for public agencies through an irrevocable trust, in compliance with Internal Revenue Code Section 115.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, California, as follows:

Section 1. The City Council does hereby approve the CERBT Agreement and Election of the City of Perris to Prefund Other Post-Employment Benefits through CalPERS.

Section 2. The City Council does hereby delegate the City Manager and Finance Director, authority to request on behalf of the City eligible disbursements from the OPEB Trust as needed and to certify as to the purpose for which the disbursed funds will be used.

Section 3. The City Council does hereby authorize the City Manager, or his or her designee, to execute all documents to facilitate the funding, investment management and administration of the City's Other Post-Employment Benefits.

Section 4. The City Clerk shall certify as to the adoption of this Resolution.

Section 5. ADOPTED, SIGNED, and APPROVED this 31st day of July, 2018.

Mayor, Michael M. Vargas

ATTEST:

______________________________
City Clerk
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE
CITY OF PERRIS

I, ___________________, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ___ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 31st day of July, 2018, and that it was so adopted by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk
Attachment #3
### Cemetery Districts
- Placer County Cemetery District #1
- Roseville Public Cemetery District

### Cities and/or Towns
- City of Agoura Hills
- City of American Canyon
- City of Anaheim
- City of Antioch
- City of Arcadia
- City of Arcata
- City of Barstow
- City of Bellflower
- City of Belmont
- City of Bishop
- City of Brentwood
- City of Buena Park
- City of Burbank
- City of Burlingame
- City of Campbell
- City of Capitola
- City of Carlsbad
- City of Carson
- City of Cerritos
- City of Citrus Heights
- City of Colusa
- City of Concord
- City of Corona
- City of Daly City
- City of Davis
- City of Diamond Bar
- City of Downey
- City of Dublin
- City of Eastvale
- City of El Cajon
- City of El Centro
- City of El Segundo
- City of Encinitas
- City of Fort Bragg
- City of Fremont
- City of Gardena
- City of Hawaiian Gardens
- City of Hayward
- City of Huntington Beach
- City of Huntington Park
- City of Indian Wells
- City of Indio
- City of Industry
- City of Irwindale
- City of La Habra
- City of La Mesa
- City of La Mirada

### Cities and/or Towns, cont.
- City of La Palma
- City of La Puente
- City of La Quinta
- City of Lafayette
- City of Laguna Woods
- City of Lancaster
- City of Larkspur
- City of Lathrop
- City of Live Oak
- City of Lodi
- City of Loma Linda
- City of Lompoc
- City of Los Altos
- City of Los Banos
- City of Lynwood
- City of Malibu
- City of Manhattan Beach
- City of Martinez
- City of Menlo Park
- City of Merced
- City of Mill Valley
- City of Milpitas
- City of Mission Viejo
- City of Monterey
- City of Monterey Park
- City of Moorpark
- City of Moreno Valley
- City of Mountain View
- City of Murrieta
- City of Napa
- City of Newark
- City of Newport Beach
- City of Norco
- City of Oakland
  - Port of Oakland
- City of Ojai
- City of Palm Desert
- City of Palo Alto
- City of Paramount
- City of Pico Rivera
- City of Placentia
- City of Pismo Beach
- City of Pittsburg
- City of Placentia
- Livermore-Pleasanton Fire Department
- City of Rancho Cordova
- City of Rancho Mirage
- City of Redondo Beach
- City of Redwood City
- City of Reedley
- City of Ridgecrest
Cities and/or Towns, cont.
City of Rocklin
City of Rohnert Park
City of Rolling Hills
City of Sacramento
City of Salinas
City of Sand City
City of San Carlos
City of San Clemente
City of San Diego
City of San Gabriel
City of San Luis Obispo
City of San Mateo
City of San Rafael
City of San Ramon
City of Santa Fe Springs
City of Santa Monica
City of Scotts Valley
City of Seal Beach
City of Shasta Lake
City of Sierra Madre
City of Solvang
City of South San Francisco
City of Stanton
City of Temecula
City of Thousand Oaks
City of Torrance
City of Twentynine Palms
City of Vacaville
City of Vallejo
City of Vernon
City of West Hollywood
City of West Sacramento
City of Westlake Village
City of Westminster
City of Yorba Linda
City of Yreka
Town of Corte Madera
Town of Fairfax
Town of Hilleborough
Town of Los Altos Hills
Town of Los Gatos
Town of Ross
Town of Truckee
Town of Woodside

Community Services Districts, cont.
Denair Community Services District
Dublin San Ramon Services District
El Dorado Hills Community Services District
Groveland Community Services District
Heritage Ranch Community Services District
Jurupa Community Services District
Kensington Police Protection and Community Services District
Marinwood Community Services District
Nipomo Community Services District
Templeton Community Services District

Counties
County of Butte
County of Del Norte
County of Lassen
County of Marin
County of Monterey
County of Napa
County of Nevada
County of Placer
County of Riverside
County of San Benito
County of San Luis Obispo
County of San Mateo
County of Santa Clara
County of Shasta

Fairs and/or Expositions
California Authority of Racing Fairs
California Fair Services Authority
California Fairs Financing Authority

Fire Districts
Alameda County Fire Department
American Canyon Fire Protection District
Aptos/La Selva Fire Protection District
Barstow Fire Protection District
Belmont Fire Protection District
Belmont-San Carlos Fire Department
Bonita-Sunnyside Fire Protection District
Central County Fire Department
Central Fire Protection District of Santa Cruz County
Chino Valley Independent Fire District
Diamond Springs/El Dorado Fire Protection District
Kensington Fire Protection District
Kentfield Fire Protection District
Kenwood Fire Protection District
Lakeside Fire Protection District
Meeks Bay Fire Protection District
North Tahoe Fire Protection District

2 www.calpers.ca.gov/cerbtt 12/27/2017
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<th>Fire Districts, cont.</th>
<th>Mosquito Abatement Districts</th>
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<tr>
<td>Novato Fire Protection District</td>
<td>Antelope Valley Mosquito and Vector Control District</td>
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<td>Coachella Valley Mosquito and Vector Control District</td>
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<td>Compton Creek Mosquito Abatement District</td>
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<td>Rodeo-Hercules Fire District</td>
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<td>Greater Los Angeles County Vector Control District</td>
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<td>Sacramento Metropolitan Fire District</td>
<td>Marin/Sonoma Mosquito Vector and Control District</td>
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<td>Napa County Mosquito Abatement District</td>
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<td>Placer Mosquito and Vector Control District</td>
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<td>Hospital Districts</td>
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<td>Housing Authorities/Redevelopment Agencies</td>
<td>Turlock Mosquito Abatement District</td>
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<td>Capitol Area Development Commission of the County of Los Angeles</td>
<td>Parks and/or Recreation Districts</td>
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<td>Beaumont-Cherry Valley Recreation and Park District</td>
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<td>Bay Area Air Quality Management District</td>
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<td>Alameda County Waste Management Authority</td>
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<td>Yolo County Housing Authority</td>
<td>Big Bear Area Regional Wastewater Agency</td>
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<td>Libraries/Library Districts</td>
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<td>Alameda County Law Library</td>
<td>Central Marin Sanitation Agency</td>
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<td>Encina Wastewater Authority</td>
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<td>Los Angeles County Law Library</td>
<td>Fairfield-Suisun Sewer District</td>
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Ironhouse Sanitary District
Las Gallinas Valley Sanitary District
Leucadia Wastewater District
Los Angeles County Sanitation District No. 2
Midway City Sanitary District
Mt. View Sanitary District
Napa Sanitation District
Ojai Valley Sanitary District
Oro Loma Sanitary District
Richardson Bay Sanitary District
Salinas Valley Solid Waste Authority
Sanitary District No. 1 of Marin County
Sanitary District No. 5 of Marin County
Sausalito-Marin City Sanitary District
Selma-Kingsburg-Fowler County Sanitation District
Silicon Valley Clean Water
Stage Sanitary District
Tahoe-Truckee Sanitation Agency
Truckee Sanitary District
Union Sanitary District
Valley Sanitary District
West Valley Sanitation District of Santa Clara County

Schools, School Districts, Offices of Education, cont.
Acalanes Union High School District
Alhambra Unified School District
Barstow Community College District
Butte-Glenn Community College District
Cabrillo Joint Community College District
Campbell Union Elementary School District
Center Unified School District
Chula Vista Elementary School District
County School Service - Sacramento County Schools
County Superintendent of Schools Office - Riverside County Schools
Eden Area Regional Occupation Program
Enterprise Elementary School District
Foothill-DeAnza Community College District
Franklin Elementary School District
Fresno Unified School District
Glendale Community College District
Grossmont Union High School District
Hartnell Community College District
Igo, Ono, Platain Union Elementary School District
Lafayette School District
Laguna Beach Unified School District
Las Lomitas Elementary School District
Los Angeles Community College District
Los Angeles Unified School District

State of California
23 Bargaining Units

Superior Courts
Alpine County Superior Court
Butte County Superior Court
Colusa County Superior Court
El Dorado County Superior Court
Glenn County Superior Court
Lassen County Superior Court
Mariposa County Superior Court
Superior Courts, cont.
Monterey County Superior Court
Napa County Superior Court
Nevada County Superior Court
Placer County Superior Court
Plumas County Superior Court
Riverside County Superior Court
Sacramento County Superior Court
San Bernardino County Superior Court
San Francisco County Superior Court
Santa Clara County Superior Court
Sierra County Superior Court
Solano County Superior Court
Superior Court of Santa Cruz County
Sutter County Superior Court
Trinity County Superior Court
Yolo County Superior Court

Transportation/Transit Districts
Alameda Corridor Transportation Authority
Alameda County Transportation Commission
Border Coast Regional Airport Authority
Contra Costa Transportation Authority
El Dorado County Transit Authority
El Dorado County Transportation Commission
Gold Coast Transit
Livermore-Amador Valley Transit Authority
Napa County Transportation and Planning Agency
Peninsula Traffic Congestion Relief Alliance
Placer County Transportation Planning Agency
Riverside County Transportation Commission
Riverside Transit Agency
Sacramento Regional Transit District
San Diego County Regional Airport Authority
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco County Transportation Authority
San Mateo County Transit District
Santa Barbara Metropolitan Transit District
Shasta Regional Transportation Agency
Ventura County Transportation Commission
Yolo County Transportation District

Utility Districts, cont.
Tahoe City Public Utility District
Truckee Donner Public Utilities District
Tuolumne Utilities District

Vector Control Districts
Los Angeles County West Vector Control District

Water/Flood Control Districts
Alameda County Water District
Arrowbear Park County Water District
Association of California Water Agencies
Bay Area Water Supply and Conservation Agency
Byron-Bethany Irrigation District
Calleguas Municipal Water District
Carlsbad Municipal Water District
Carmichael Water District
Castitas Municipal Water District
Castaic Lake Water Agency
Central Basin Municipal Water District
Crescenta Valley Water District
Crestline-Lake Arrowhead Water Agency
Cucamonga Valley Water District
Del Paso Manor Water District
Del Puerto Water District
Diablo Water District
East Valley Water District
Eastern Municipal Water District
El Dorado Hills County Water District
El Dorado Irrigation District
Fern Valley Water District
Florin Resource Conservation District Elk Grove
Water Works
Helix Water District
Imperial Irrigation District
Indian Wells Valley Water District
Inland Empire Utilities Agency
Kaweah Delta Water Conservation District
Kern County Water Agency
La Puente Valley County Water District
Lakeside Water District
Las Virgenes Municipal Water District
Marin Municipal Water District
Merced Irrigation District
Metropolitan Water District of Southern California
Mojave Water Agency
Moulton Niguel Water District
Nevada Irrigation District
Newhall County Water District
North of the River Municipal Water District
Orchard Dale Water District
Otay Water District

www.calpers.ca.gov/cerbt 12/27/2017
### Water/Flood Control Districts, cont.

- Padre Dam Municipal Water District
- Palmdale Water District
- Pico Water District
- Pine Cove Water District
- Placer County Water Agency
- Reclamation District #1000
- Regional Water Authority
- Rincon del Diablo Municipal Water District
- Rio Alto Water District
- Riverside County Flood Control and Water Conservation District
- Sacramento Suburban Water District
- San Bernardino Valley Municipal Water District
- San Bernardino Valley Water Conservation District
- San Diego County Water Authority
- San Diego Water District
- San Gabrielle Municipal Water District
- San Gorgonio Pass Water Agency
- San Joaquin Water District
- Santa Ana Watershed Project Authority
- Santa Clara Valley Water District
- Santa Fe Irrigation District
- Solano County Water District
- Soquel Creek Water District
- South Coast Water District
- South San Joaquin Irrigation District
- Stinson Beach County Water District
- Sunnyvale County Water District
- Sweetwater Authority
- Sweetwater Springs Water District
- Tehachapi-Cummings County Water District
- Trabuco Canyon Water District
- Turlock Irrigation District
- Twenty Nine Palms Water District
- United Water Conservation District
- Upper San Gabriel Valley Municipal Water District
- Valladolid Water District
- Valley Center Municipal Water District
- Valley County Water District
- Valley of the Moon Water District
- Vista Irrigation District
- Water Replenishment District of Southern California
- West Basin Municipal Water District
- Westminster Water District
- Westlands Water District
- West Valley Water District
- Yorba Linda Water District
- Yuba County Water Agency
- Yucaipa Municipal Water District

### Other Special Districts

- ACWA Joint Powers Insurance Authority
- Association of Bay Area Governments
- Association of Monterey Bay Area Governments
- Big Bear City Airport District
- Central Marin Police Authority
- Cooperative Personnel Services
- CSAC Excess Insurance Authority
- Butte County Association of Governments
- City/County Association of Governments of San Mateo County
- First 5 Contra Costa
- First 5 Del Norte
- First 5 San Benito
- Golden Sierra Job Training Agency
- March Joint Powers Authority
- Marin Local Agency Formation Commission
- Municipal Pooling Authority
- Oxnard Harbor District
- Planning and Service Area II Area Agency on Aging
- Public Agency Risk Sharing Authority of California
- Sacramento Area Council of Governments
- Sacramento Metropolitan Cable Television Commission
- Sacramento Regional Fire/EMS Communication Center
- San Benito County Council of Governments
- San Diego Association of Governments
- San Luis Obispo Council of Governments
- Santa Clara County Health Authority
- Santa Barbara County Association of Governments
- Sierra-Sacramento Valley Emergency Medical Services Agency
- Southern California Association of Governments
- Southern California Regional Rail Authority
- Special District Risk Management Authority
- State Bar of California
- Transbay Joint Powers Authority

**www.caipers.ca.gov/cerbt**

12/27/2017
Attachment #4
City of Perris
Other Post-Employment Benefits (OPEB) & Unfunded Liability Projections through 2040

The City pays only the annual pay-as-you-go cost and is not currently prefunding the growing unfunded liability.

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Pay-As-You-Go Cost*</th>
<th>Unfunded Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retiree medical cost each year for benefits received in that year only</td>
<td>Accrual of medical cost for active employees not yet retired and future years for retirees</td>
</tr>
<tr>
<td>2018</td>
<td>$511,920</td>
<td>$16,108,757</td>
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<tr>
<td>2019</td>
<td>$526,310</td>
<td>$16,536,953</td>
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<tr>
<td>2020</td>
<td>$550,007</td>
<td>$16,989,444</td>
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<tr>
<td>2021</td>
<td>$566,569</td>
<td>$17,450,636</td>
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<tr>
<td>2022</td>
<td>$572,572</td>
<td>$17,917,412</td>
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<td>$587,501</td>
<td>$18,409,450</td>
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<td>$592,155</td>
<td>$18,908,435</td>
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<td>$596,246</td>
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<td>2026</td>
<td>$626,614</td>
<td>$19,984,540</td>
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<td>2027</td>
<td>$638,745</td>
<td>$20,546,130</td>
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<td>$21,157,855</td>
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<td>$957,153</td>
<td>$29,257,829</td>
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<tr>
<td>2040</td>
<td>$968,745</td>
<td>$30,143,445</td>
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</tbody>
</table>

*Information provided by Pacific Crest Actuaries. The full report is available by request.
Attachment #5
AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this _____ day of __________, 2018, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. Services. PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.

2. Fees for Services. PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".

3. Payment Terms. Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.

4. Fees for Services Beyond Scope. Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.

5. Information Furnished to PARS. PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Page 1
Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non-performance of Services to the extent such non-performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. Records. Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS’ fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.

7. Confidentiality. Without the Agency’s consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.

8. Independent Contractor. PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers’ compensation and similar matters.

9. Indemnification. PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys’ fees and costs, incurred by the other as a consequence of, to the extent, PARS’ or Agency’s, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.

10. Compliance with Applicable Law. The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.
11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.

12. **Force Majeure.** When a party’s nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.

13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.

14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.

15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

(A) To PARS: PARS: 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President

(B) To Agency: [Agency]; [Address]; [City. State. Zip]; Attention: [Plan Administrator]

Notices shall be deemed given on the date received by the addressee.

16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning __________, 2018 and ending __________, 2021 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.

17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or
provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney’s fees.

20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.

21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

**AGENCY:**

**BY:**

**TITLE:**

**DATE:**

**PARS:**

**BY:**

Tod Hammeras

**TITLE:** Chief Financial Officer

**DATE:**

Page 4
EXHIBIT 1A

SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:
   (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
   (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
   (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:
   (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
   (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
   (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
   (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
   (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
   (F) Preparing and submitting an annual report of Plan activity to the Agency;
   (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
   (H) Coordinating periodic audits of the Trust;
   (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.
EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<table>
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<tr>
<th>For Plan Assets from:</th>
<th>Annual Rate:</th>
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</thead>
<tbody>
<tr>
<td>$0 to $10,000,000</td>
<td>0.25%</td>
</tr>
<tr>
<td>$10,000,001 to $15,000,000</td>
<td>0.20%</td>
</tr>
<tr>
<td>$15,000,001 to $50,000,000</td>
<td>0.15%</td>
</tr>
<tr>
<td>$50,000,001 and above</td>
<td>0.10%</td>
</tr>
</tbody>
</table>

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.
EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
   (A) Certified Resolution
   (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
   (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
   (A) Agency name
   (B) Contribution amount
   (C) Contribution date
   (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
   (A) Agency name
   (B) Payment reimbursement/distribution amount
   (C) Applicable statement date
   (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
   (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.
RESOLUTION NUMBER ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PERRIS APPROVING THE ADOPTION OF THE PUBLIC
AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT
SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-
Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations
and/or OPEB obligations; and

WHEREAS, the City of Perris ("City") is eligible to participate in the Program, a
tax-exempt trust performing an essential governmental function within the meaning of Section 115
of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-
exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City’s adoption and operation of the Program has no effect on any
current or former employee’s entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if
any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City’s funding of the Program does not, and is not intended to,
create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the
Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
Perris, California, as follows:

Section 1. The City Council hereby adopts the PARS Public Agencies Post-
Employment Benefits Trust, effective July 31, 2018; and

Section 2. The City Council does hereby delegate the City Manager and
Finance Director, authority to request on behalf of the City eligible disbursements from the OPEB
Trust as needed and to certify as to the purpose for which the disbursed funds will be used.

Section 3. The City Council hereby appoints the City Manager, or his/her
successor or his/her designee as the City’s Plan Administrator for the Program; and

Section 4. The City’s Plan Administrator is hereby authorized to execute the
PARS legal and administrative documents on behalf of the City and to take whatever additional
actions are necessary to maintain the City’s participation in the Program and to maintain
compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her
to take whatever additional actions are required to administer the City’s Program.
Section 5. The City Clerk shall certify as to the adoption of this Resolution.

Section 6. ADOPTED, SIGNED, and APPROVED this 31st day of July, 2018.

Mayor, Michael M. Vargas

ATTEST:

______________
City Clerk
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  
CITY OF PERRIS  

1. ___________________________, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 31st day of July, 2018, and that it was so adopted by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  

City Clerk
Attachment #7
# OPEB/Pension Client List

**Updated: March 2018**

## Cities & Towns

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<th>Alameda</th>
<th>El Centro*</th>
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<tr>
<td>Pleasanton</td>
<td>Port Hueneme</td>
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<td>Rancho Cucamonga*</td>
<td>Redding</td>
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<tr>
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<td>West Covina</td>
<td>West Sacramento</td>
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<tr>
<td>West Sacramento</td>
<td>Westminster*</td>
</tr>
<tr>
<td>Woodland</td>
<td>Yountville</td>
</tr>
<tr>
<td>Yuba City</td>
<td>Yucca Valley</td>
</tr>
</tbody>
</table>

## Counties

| Amador               | Merced |
| Contra Costa         | Mono   |
| Humboldt             | Nevada |
| Imperial             | Placer |
| Inyo                 | Plumas |
| Kern                 | Riverside |
| Kings                | San Benito |
| Shasta               | Siskiyou |
| Solano               | Sonoma |
| Sutter               | Trinity |
| Yolo                 |        |

**Bolded agencies** have adopted PRSP

*PRSP only*
SPECIAL DISTRICTS

Alameda County MAD
Bodega Bay Public Utility District
Calaveras County Water District
California JPIA
California Joint Powers RMA
Central Contra Costa Sanitary District
Central Contra Costa Transit Authority
Coastside Fire Protection District
Contra Costa MVD
Crestline Village Water District
Delta Diablo (Sanitation District)
Desert Recreation District
East Bay Regional Park District
East Orange County Water District
Eastern Sierra Community Services District
El Dorado Hills County Water District
Fellbrook Public Utility District
Fresno Irrigation District
Fresno Metropolitan Flood Control District
Glenn-Colusa Irrigation District
Goleta West Sanitary District
Great Basin Unified APCD
Hayward Area Recreation & Park District
Housing Authority of the County of Contra Costa
Housing Authority of the County of San Bernardino
Humboldt Bay Municipal Water District
Humboldt No. 1 Fire Protection District
Menlo Park Fire Protection District
Mesa Water District
Metropolitan Transportation Commission
Mid-Peninsula Regional Open Space District
Mid-Peninsula Water District
Mojave Desert AQMD
Montecito Fire Protection District
Monterey Bay IAPCD
Moraga-Orinda Fire Protection District
Municipal Water District of Orange County
Napa County Mosquito Abatement District
Nevada County Consolidated Fire District*
Novato Sanitary District
Orange County Vector Control District
Orange County Water District
Placer County Resource Conservation District
Rancho Cucamonga Fire Protection District*
Rancho Murrieta Community Services District
Rowland Water District
San Mateo County MVD
Santa Barbara County 9-1-1
Santa Cruz Regional 9-1-1
South Montebello Irrigation District
South Coast Water District
South Orange County Wastewater Authority
South Placer Fire Protection District
Southern Marin Fire Protection District
Superior Court of CA, County of Contra Costa
Superior Court of CA, County of Imperial
Superior Court of CA, County of Inyo
Superior Court of CA, County of Kern
Superior Court of CA, County of Marin
Superior Court of CA, County of Merced
Superior Court of CA, County of Orange
Superior Court of CA, County of San Mateo
Superior Court of CA, County of Shasta
Superior Court of CA, County of Siskiyou
Superior Court of CA, County of Sonoma
Sweetwater Springs Water District*
Three Valleys Municipal Water District
Twentynine Palms Water District*
Vallejo Flood and Wastewater District
Ventura Regional Sanitation District
Walnut Valley Water District
West Bay Sanitary District
West County Wastewater District
Western Riverside Council of Governments
Yorba Linda Water District

Bolded agencies have adopted PRSP
* PRSP only
# OPEB/Pension Client List (Cont.)

## School Districts

Auburn Union School District  
Bass Lake Joint Union Elementary School District  
Bellflower Unified School District  
Beverly Hills Unified School District  
Callistoga Joint Unified School District  
Campbell Union High School District  
Compton Unified School District  
Corning Union Elementary School District  
Coronado Unified School District  
Cotati-Rohnert Park Unified School District  
El Dorado Union High School District  
Fontana Unified School District  
Fowler Unified School District  
Hesperia Unified School District  
John Swett Unified School District  
Lakeside Union School District  
Lemon Grove School District  
Manteca Unified School District  
Moreno Valley Unified School District  
Natomas Unified School District  
Ocean View School District  
Ontario-Montclair School District  
Placer Union High School District  
Red Bluff Joint Union High School District  
Red Bluff Union Elementary School District  
River Delta Unified School District  
Riverdale Joint Union School District  
San Bruno Park School District  
San Marino Unified School District  
Santa Barbara Unified School District  
Santa Rita Union School District  
Trona Joint Unified School District  
Twin Rivers Unified School District  
Visalia Unified School District  
Westside Union School District  
Whittier City School District  
Wilsona School District

## Community College Districts

- Citrus CCD*
- Coast CCD*
- Grossmont-Cuyamaca CCD
- Hartnell CCD*
- Marin CCD
- San Bernardino CCD
- San Luis Obispo CCD (Cuesta College)*
- State Center CCD
- Victor Valley CCD*
- Yosemite CCD

## Special Education Districts

- Intelego

---

*Bolded agencies have adopted PRSP*  
*PRSP only*
# PARS Client List – PRSP (130)

**CITIES & TOWNS**

- City of Alameda
- City of Bell Gardens
- City of Beverly Hills
- City of Brea
- City of Brisbane
- City of Burlingame
- City of Capitola
- City of Chino Hills
- City of Coronado
- City of Cypress
- City of Daly City
- City of Dublin
- City of El Centro
- City of El Segundo
- City of Escondido
- City of Fountain Valley
- City of Fullerton
- City of Glendale
- City of Half Moon Bay
- City of Healdsburg
- City of Hercules
- City of Huntington Beach
- City of La Mesa
- City of Lake Forest
- City of Lodi
- City of Manhattan Beach
- City of Morgan Hill
- City of Napa
- City of National City
- City of Norwalk
- City of Oakley
- City of Oroville
- City of Palo Alto
- City of Pasadena
- City of Pico Rivera
- City of Pleasanton
- City of Pittsburg
- City of Rancho Cucamonga
- City of Redwood City
- City of Rohnert Park
- City of Rolling Hills
- City of San Ramon
- City of Santa Ana
- City of Santa Clara
- City of Sausalito
- City of Solana Beach
- City of Stanton
- City of Stockton
- City of Tustin
- City of Union City
- City of Upland
- City of Vallejo
- City of Villa Park
- City of West Covina
- City of West Sacramento
- City of Westminster
- City of Yuba City
- Town of Colma
- Town of Los Altos Hills
- Town of Los Gatos
- Town of Tiburon
- Town of Yountville
- Town of Yucca Valley

**COUNTIES**

- County of Humboldt
- County of Kings
- County of Nevada
- County of Placer
- County of Plumas
- County of Riverside
- County of San Benito
- County of Siskiyou
- County of Solano
- County of Sutter

**EDUCATION DISTRICTS**

- Citrus CDD
- Coast CDD
- Grossmont-Cuyamaca CDD
- Hartnell CDD
- Marin CDD
- San Bernardino CDD
- San Luis Obispo CDD (Cuesta College)
- Victor Valley CDD
- Yosmite CDD
- Bass Lake Joint Union ESD
- Caistoga Joint USD
- Campbell Union HSD
- Corning Union ESD
- Coronado USD
- Cotati-Rohnert Park USD
- Fontana USD
- Hesperia Unified SD
- Lakeside Union SD
- Lemon Grove SD
- Natomas USD
- Greanview SD
- Ontario-Montclair SD
- Placer Union HSD
- River Delta USD
- San Marino USD
- Santa Rita Union SD
- Visalia USD
- Whittier City SD

**SPECIAL DISTRICTS**

- Alameda County MAF
- Central Contra Costa Sanitary District
- Delta Diablo (Sanitation District)
- East Bay Regional Park District
- East Orange County Water District
- El Dorado Hills County Water District
- Fallbrook Public Utility District
- Goleta West Sanitary District
- Great Basin Unified APCD
- Humboldt Bay Municipal Water District
- Mesa Water District
- Midpeninsula Regional Open Space District
- Midpeninsula Water District
- Mojave Desert AQMD
- Montecito Fire Protection District
- Moriga Orinda Fire Protection District
- Municipal Water District of Orange County
- Napa County MAF
- Nevada County Consolidated FD
- Novato Sanitary District
- Rancho Cucamonga Fire PD
- South Coast Water District
- Southern Marin Fire Protection District
- Superior Court of CA - County of Kern
- Sweetwater Springs Water District
- Three Valleys Municipal Water District
- Twentynine Palms Water District
- West Bay Sanitary District
- Yorba Linda Water District
Attachment #8
City of Perris
Pension & Unfunded Liability
Projections through 2040

*Information provided by CalPERS. The full report is available by request.

Pension unfunded liabilities are reducing because CalPERS has imposed a time limit of 30 years on amortization.

<table>
<thead>
<tr>
<th>Each year the City pays:</th>
<th>Annual Minimum</th>
<th>+ Portion of Unfunded Liability (UAL)</th>
<th>Total Annual Expense</th>
</tr>
</thead>
</table>

### Projected Future Employer Contributions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Minimum as a % of Payroll - Tier 1 Employees</td>
<td>12.212%</td>
<td>12.800%</td>
<td>13.900%</td>
<td>13.900%</td>
<td>13.900%</td>
<td>13.900%</td>
<td>13.900%</td>
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<tr>
<td>Annual Minimum as a % of Payroll - Tier 2 Employees</td>
<td>7.634%</td>
<td>8.000%</td>
<td>8.800%</td>
<td>8.800%</td>
<td>8.800%</td>
<td>8.800%</td>
<td>8.800%</td>
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<tr>
<td>Annual Minimum as a % of Payroll - Tier 3 Employees</td>
<td>6.842%</td>
<td>6.800%</td>
<td>7.100%</td>
<td>7.100%</td>
<td>7.100%</td>
<td>7.100%</td>
<td>7.100%</td>
</tr>
<tr>
<td>Annual Minimum as a % of Payroll - Public Safety Employees</td>
<td>0.000%</td>
<td>0.000%</td>
<td>0.000%</td>
<td>0.000%</td>
<td>0.000%</td>
<td>0.000%</td>
<td>0.000%</td>
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<tr>
<td>Annual Minimum Estimated Dollar Amount - All Tiers</td>
<td>603,427</td>
<td>607,048</td>
<td>613,725</td>
<td>613,725</td>
<td>613,725</td>
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<tr>
<td>Portion of UAL Paid Each Year - All Tiers</td>
<td>603,054</td>
<td>762,356</td>
<td>1,076,732</td>
<td>1,187,666</td>
<td>1,270,072</td>
<td>1,184,018</td>
<td>1,312,502</td>
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<tr>
<td>Total Annual Expense - All Tiers</td>
<td>1,206,481</td>
<td>1,369,404</td>
<td>1,690,457</td>
<td>1,801,391</td>
<td>1,883,797</td>
<td>1,797,743</td>
<td>1,926,227</td>
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### Unfunded Liability Projected Future Balance & Payments

<table>
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<tr>
<th>Year</th>
<th>Tier 1 Balance</th>
<th>Tier 1 Payments</th>
<th>Tier 2 Balance</th>
<th>Tier 2 Payments</th>
<th>Tier 3 Balance</th>
<th>Tier 3 Payments</th>
<th>Public Safety Balance</th>
<th>Public Safety Payments</th>
<th>Total All Tiers Balance</th>
<th>Total All Tiers Payments</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>10,067,006</td>
<td>364,982</td>
<td>12,517</td>
<td>2,814</td>
<td>41,658</td>
<td>9,366</td>
<td>3,472,918</td>
<td>225,892</td>
<td>13,594,099</td>
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<td>2020</td>
<td>10,431,246</td>
<td>475,619</td>
<td>10,524</td>
<td>2,899</td>
<td>35,025</td>
<td>9,647</td>
<td>3,494,972</td>
<td>274,191</td>
<td>13,971,767</td>
<td>762,356</td>
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<td>10,707,704</td>
<td>767,946</td>
<td>8,296</td>
<td>2,986</td>
<td>27,612</td>
<td>9,937</td>
<td>3,468,605</td>
<td>295,863</td>
<td>14,212,217</td>
<td>1,076,732</td>
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<td>2022</td>
<td>10,701,637</td>
<td>854,326</td>
<td>5,814</td>
<td>3,075</td>
<td>19,351</td>
<td>10,235</td>
<td>3,417,835</td>
<td>320,030</td>
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<td>-</td>
<td>3,237,832</td>
<td>334,529</td>
<td>3,129,977</td>
<td>334,529</td>
<td>13,670,388</td>
<td>1,184,018</td>
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<td>10,218,079</td>
<td>977,973</td>
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<td>-</td>
<td>3,014,168</td>
<td>334,529</td>
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<td>2026</td>
<td>9,958,268</td>
<td>1,007,312</td>
<td>-</td>
<td>-</td>
<td>12,538,711</td>
<td>1,372,061</td>
<td>12,041,685</td>
<td>1,403,187</td>
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<td>2027</td>
<td>9,648,894</td>
<td>1,037,532</td>
<td>-</td>
<td>-</td>
<td>11,475,751</td>
<td>1,435,246</td>
<td>10,834,858</td>
<td>1,468,268</td>
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<tr>
<td>2028</td>
<td>9,285,389</td>
<td>1,068,658</td>
<td>-</td>
<td>-</td>
<td>10,112,481</td>
<td>1,502,280</td>
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<td>1,537,313</td>
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<td>2029</td>
<td>8,862,823</td>
<td>1,100,717</td>
<td>-</td>
<td>-</td>
<td>8,394,585</td>
<td>1,153,920</td>
<td>8,744,932</td>
<td>1,488,856</td>
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<td>2030</td>
<td>8,375,872</td>
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<td>-</td>
<td>-</td>
<td>6,451,216</td>
<td>1,437,921</td>
<td>5,436,992</td>
<td>1,232,010</td>
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<td>2031</td>
<td>7,818,791</td>
<td>1,167,751</td>
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<td>-</td>
<td>4,647,041</td>
<td>756,293</td>
<td>3,536,268</td>
<td>733,831</td>
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<td>2032</td>
<td>7,185,381</td>
<td>1,202,784</td>
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<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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<td>2033</td>
<td>6,468,955</td>
<td>1,192,970</td>
<td>-</td>
<td>-</td>
<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
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<tr>
<td>2034</td>
<td>5,709,862</td>
<td>1,181,485</td>
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<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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<td>2035</td>
<td>4,906,688</td>
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<td>-</td>
<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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<tr>
<td>2036</td>
<td>4,078,248</td>
<td>1,051,945</td>
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<td>-</td>
<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
<td></td>
<td></td>
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<tr>
<td>2037</td>
<td>3,288,973</td>
<td>503,381</td>
<td>-</td>
<td>-</td>
<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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<tr>
<td>2038</td>
<td>3,009,923</td>
<td>497,137</td>
<td>-</td>
<td>-</td>
<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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<td></td>
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<tr>
<td>2039</td>
<td>2,716,761</td>
<td>490,066</td>
<td>-</td>
<td>-</td>
<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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<tr>
<td>2040</td>
<td>2,409,306</td>
<td>504,768</td>
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<td>4,012,801</td>
<td>745,476</td>
<td>3,036,658</td>
<td>655,501</td>
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</tr>
</tbody>
</table>

**Note:** Long-term amortization not established for new plans with small unfunded liabilities.
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: HOME Investment Partnership Program- Consideration of an application submittal for HOME Investment Partnership Program funding through the California Department of Housing and Community Development.

REQUESTED ACTION: ADOPT a Resolution (next in order) authorizing the submittal of an application for HOME Investment Partnership Program funding.

CONTACT: Dr. Grace I. Williams, Director of Planning and Economic Development

BACKGROUND:

On June 5, 2018 the California Department of Housing and Community Development (HCD) issued a 2018 Notice of Funding Availability announcing the availability of grant funds under the HOME Investment Partnership Program ("HOME"). The California Department of Housing and Community Development is authorized to allocate HOME funds made available from the U.S. Department of Housing and Urban Development. Funding is to be allocated to local governments, designed exclusively to increase the supply of affordable rental housing, expand homeownership, improve existing housing for low income households, and provide homeless assistance and prevention services.

The City of Perris is an eligible State HOME jurisdiction due to its entitlement status. The City is requesting funding for the First Time Homebuyer Program which is limited to $500,000 for program activities. The grant application is due August 6, 2018. Conditional reservation (award) letters will be issued by December, 2018 with HOME Standard Agreements to be issued approximately 45 to 60 days thereafter. Staff recommends that City Council adopt Resolution (next in order) to authorize the City Manager, or his designee(s), to execute the appropriate materials in order to submit an application for HOME Investment Partnership Program funding.

FISCAL IMPACT: Cost for staff preparation of this item has been budgeted into the 2017-2018 budget. Match requirements are waived for applications pursuant to this Notice of Funding Available (NOFA).

Prepared by: Rebecca Rivera, Project Manager

Assistant City Manager: Clara Miramontes
Assistant City Manager: Darren Madkin
Director of Finance: Jennifer Erwitte

Attachments: Resolution and Exhibit A: Eligible State HOME Jurisdictions

Consent: July 31, 2018
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING THE APPLICATION FOR FUNDS FOR THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

WHEREAS, the California Department of Housing and Community Development (the "Department") is authorized to allocate HOME Investment Partnerships Program ("HOME") funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200; and

WHEREAS, on June 5, 2018, the Department issued a Notice of Funding Availability announcing the availability of funds under the HOME program (the "NOFA"); and

WHEREAS, in response to the June 2018 HOME NOFA, the City of Perris, a municipal corporation (the "Applicant"), wishes to apply to the Department for, and receive an allocation of, HOME funds; and

WHEREAS, a Resolution granting authority to make an application to the HOME Investment Partnerships Program, duly executed by the governing board of the local jurisdiction, is required for submission of the application; and

WHEREAS, the City Council wishes to authorize the submittal of an application to the California State Department of Housing and Community Development for funding under the HOME Investment Partnerships Program; and

WHEREAS, if selected, the City Council wishes to authorize the execution of a standard agreement, any amendments thereto, and of any related documents necessary to participate in the HOME Investment Partnerships Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the City Council authorizes the submittal of an application to the California State Department of Housing and Community Development for funding under the HOME Investment Partnerships Program; and

Section 2. That in response to the June, 2018 HOME NOFA, the Applicant shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed five-hundred thousand dollars ($500,000.00) for the following
activities and or programs: First Time Home Buyer Program to be located in the City of Perris; and

Section 3. That if the application for funding is approved, therer the Applicant hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statutes and regulations cited above. The Applicant may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents); and

Section 4. That the Applicant authorizes the City Manager or his/her designee(s) to execute in the name of the Applicant, the required documents.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of said City; and shall make a minute of passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

ADOPTED, SIGNED AND APPROVED this 31st day of July, 2018.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE ) §
CITY OF PERRIS )
I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number xxxx was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 31st day of July, 2018, and that it was so adopted by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
City Clerk, Nancy Salazar
CITY COUNCIL 
AGENDA SUBMITTAL 

Meeting Date: July 31, 2018

SUBJECT: Reimbursement Agreement with RB/MRE Optimus LLC for improvements required for Tentative Parcel Map Nos. 36512 and 36582, located generally at the intersection of Ramona Expressway, Patterson Avenue, and Webster Avenue

REQUESTED ACTION: That the City Council approve and authorize the City Manager to execute the Agreement in a form approved by the City Attorney

CONTACT: Eric Dunn, City Attorney

BACKGROUND/DISCUSSION:

RG/MRE Optimus LLC ("developer") received entitlements under Tract Map Nos. 36512 and 36582 to construct approximately 1,450,000 square feet of distribution facilities collectively on about 69 acres of real property located generally at the intersection of Ramona Expressway, Patterson Avenue, and Webster Avenue. Among other conditions of development, the developer is required by Engineering Condition No. 26a, as modified by Engineering Condition No. 28a, to construct street and other improvements on and along Patterson Avenue to alleviate traffic impacts.

This portion of Patterson Avenue is not included in the RBBD, DIF, or TUMF programs, and is not eligible for credit or reimbursement from those programs. Developer has requested that City reimburse developer up to $1,750,000 from funds received from other projects and property owners in the future who benefit from the Patterson Avenue improvements. The proposed agreement provides that the City will use reasonable efforts to condition such future projects to pay a fair share amount. The other projects are limited to the area identified on Exhibit A in the agreement. There is no guarantee that the developer will receive any reimbursement.

The agreement is attached in draft form. If the City Council approves the terms of the agreement, the City Attorney’s office will finalize the agreement for execution. If any substantive changes are required, the agreement will be brought back to the City Council for further consideration.

BUDGET (or FISCAL) IMPACT:

None to the City. The Reimbursement Amount consists of “fair share” contributions from other developers and property owners.

Reviewed by:

City Attorney X
Assistant City Manager Darren Madkin 

01006.0006/941798.1
Attachment: Reimbursement Agreement

Consent: X
Public Hearing:
Business Item:
Other:
REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT ("Agreement") is made and entered into on July 31, 2018 by and between the CITY OF PERRIS, a municipal corporation ("City") and RG/MRE OPTIMUS LLC, a Delaware limited liability company ("Developer"). City and Developer are individually referred to herein as "Party" and together referred to herein as "Parties."

WITNESSETH

WHEREAS, Developer is the developer of property in the City at the intersection of Ramona Expressway, Patterson Avenue, and Webster Avenue ("Development") that has received various approvals from the City;

WHEREAS, City has imposed a condition on the Development requiring Developer to construct a portion of Patterson Avenue ("Project");

WHEREAS, the Project shall benefit the Developer, the City and neighboring property owners along Patterson Avenue between Harley Knox Boulevard and the Development; and

WHEREAS, Developer shall be reimbursed, to the extent the City collects funds regarding the same, for a portion of Developer's Costs (defined below) in completing the Project up to a maximum amount of One Million Seven Hundred Fifty Thousand Dollars ($1,750,000) ("Reimbursement Amount"), with the City to reimburse Developer for the Reimbursement Amount from contributions received from other developers and property owners benefiting from the Project, as specified below.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Recitals.** The foregoing recitals are true and correct, and are incorporated into this Agreement as though fully set forth as terms of this Agreement.

2. **Payment.** City hereby agrees to promptly reimburse Developer the Reimbursement Amount, following completion of the Project, pursuant to the provisions of Section 5 below.

3. **Reimbursement Amount.** Developer shall be entitled hereunder to reimbursement of a portion of its third-party out-of-pocket costs relating to the Project, including, without limitation, all of Developer's costs to process and obtain all permits and approvals, to obtain any easements or licenses, and to complete the actual improvements necessary to complete the Project (collectively, "Costs").

4. **Proof of Developer's Cost.** As set forth in Section 2 of this Agreement, Developer is entitled to the Reimbursement Amount for Developer's Costs relating to the Project, as
verified by the City Engineer. Upon completion of the Project, Developer shall submit to the City Engineer evidence of Developer’s Cost. Within thirty (30) calendar days after submittal of such evidence by Developer, the City Engineer shall verify Developer’s Cost, or shall submit a request to Developer for additional information deemed necessary by the City Engineer to verify Developer’s Cost in writing. Such additional information shall be submitted by the Developer to the City Engineer within thirty (30) calendar days from receipt of the written request by the City Engineer. City shall make no Reimbursement Amount payment to Developer unless and until the City Engineer has verified the Developer’s Cost and that the Project has been completed. The City Engineer’s decision shall be final, unless appealed to the City Manager, in which case the City Manager’s decision is final.

5. **City Obligations.**

   a) It is agreed and understood between the parties that the Reimbursement Amount provided in this Agreement shall not be a charge against the general funds of the City or any other funds of City and shall not bear interest, and the Developer shall be reimbursed after and if the City receives fair share payments from other property owners or developers within the area shown on Exhibit “A” (“Reimbursement Area”) who have (i) benefited from the Project or (ii) development conditions for work along the public rights-of-way that are substantially similar to the development conditions imposed by the City upon Developer.

   b) City agrees that it shall use commercially reasonable efforts to impose on future (and to the extent possible, current) projects and property owners which have benefited or will benefit from the Project, payments of their respective fair share amounts. City agrees to provide annual summaries of payments collected by the City from such property owners and developers.

6. **Limitations.** Developer acknowledges that City’s authority to impose conditions on other developers, property owners or projects benefiting from the Project shall be subject to and may be limited by applicable due process requirements. City makes no guarantee that Developer will receive all or any part of the Reimbursement Amount and only that the City will use commercially reasonable efforts to impose and collect such amounts.

7. **Agreement Binding.** This Agreement shall be binding upon and for the benefit of the Parties and their respective agents, assigns, directors, employees, executors, officers, representatives, and successors. Developer shall continue to be entitled to the Reimbursement Amount notwithstanding its sale of all or a portion of the Development. Developer shall indemnify, defend, and hold harmless the City from and against any and all claims from successor owners of the Development regarding the Reimbursement Amount.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties, and it is expressly understood and agreed that this Agreement may not be altered,
amended, modified or otherwise changed in any respect or particular whatsoever except by writing duly executed by authorized representatives of the Parties hereto. The Parties hereby agree and acknowledge that they will make no claim at any time or place that this Agreement has been orally altered or modified or otherwise changed by oral communication of any kind or character.

9. **Governing Law.** This Agreement shall be governed by, construed in accordance with, and interpreted under the laws of the State of California and shall be deemed to have been entered into in the City, for purposes of venue no matter where the Agreement is actually executed.

10. **Severability.** If any provision of this Agreement shall be determined to be contrary to law or unenforceable, the remaining provisions shall, at the option of the party who would have been benefitted by such unenforceable provision, be severable and enforceable in accordance with their terms.

11. **Counterparts.** This Agreement may be executed in multiple identical counterparts, including the transmission of counterparts via electronic means, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

12. **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit of the Parties and any successor or assign of the Parties. No other person shall have any right of action based upon any provision of this Agreement.

13. **Authority to Execute.** The person or persons executing this Agreement on behalf of each individual Party warrants that he or she/they have the authority to execute this Agreement on behalf of the particular Party and warrants and represents that he or she/they have the authority to bind the particular Party to the performance of the obligations of this Agreement.

14. **Books and Records.** Each Party shall maintain complete, accurate, and clearly identifiable records in connection with this Agreement. The City shall make available for examination by Developer its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the reimbursements City owes Developer pursuant to this Agreement. Further, each Party shall furnish to the other Party, its agents or employees such other evidence or information as each Party may require with respect to any such reimbursement.

15. **The Agreement Term.** This Agreement shall stay in effect for ten (10) years after the date contained in the above preamble.
These Parties agree to the foregoing:

CITY OF PERRIS:

By: _______________________________
    Richard Belmudez, City Manager

ATTEST:

By: _______________________________
    Nancy Salazar, City Clerk

APPROVED AS TO FORM:

By: _______________________________
    Eric L. Dunn, City Attorney

DEVELOPER:

RG/MRE OPTIMUS LLC,
a Delaware limited liability company

By: RG-OPTIMUS LLC
    Its Managing Member

By: _______________________________
    Name: __________________________
    Title: __________________________
EXHIBIT "A"
REIMBURSEMENT AREA

[On following page]
"EXHIBIT A"

REIMBURSEMENT AGREEMENT

07/25/2018
Meeting Date: July 31, 2018

SUBJECT: Asphalt Repair at Concrete Pavement Transitions Project

REQUESTED ACTION: Adopt the Plans and Specifications for the Asphalt Repair at Concrete Pavement Transitions Project, Award Contract to IE General Engineering, and Reject All Other Bids

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION: On July 17, 2018, two bids were submitted and revealed via Active Bidder for the Asphalt Repair at Concrete Pavement Transitions Project at 12 intersections. Bids ranged from $387,470 and $491,955. The low bid was submitted by IE General Engineering.

IE General Engineering recently completed similar pavement rehabilitation and concrete installation projects. Staff verified one reference with DBX, Inc. and they stated that their quality of work is good and the City should have no hesitations awarding their bid. This project will repair asphalt at various concrete pavement transitions (12 City intersections) throughout the City and repair the concrete intersections at Ramona Expressway and Indian Avenue (see attached). Construction is planned to begin at the end of August and 50 calendar days have been allotted to complete the project. The repair work and method was created based on our discussions and inquiries with several sources including local contractor and may not result in permanent fix.

The project is funded by SB-1 Transportation Funding (California Gas Tax which was approved by the Governor on April 28, 2017). As of July 30, 2018, the City has received a total of $369,371 from the State Controller’s Office for SB-1. It is anticipated that the City will receive additional revenue from SB-1 source throughout Fiscal Year 2018/2019 (which will provide adequate funding for this project).

Staff recommends Council adopt the plans and specifications, award the project to IE General Engineering and authorize a construction contingency of 20%.

A copy of the plans and specifications are available at City Clerk’s office.

BUDGET (or FISCAL) IMPACT: Adopted Capital Improvements Program Sheet S-102 identifies adequate funds to complete project including 20% construction contingency.

Reviewed by:

City Attorney
Assistant City Manager
Director of Finance

Attachments: CIP Sheet S-102
Bid Results
Project Exhibit
Consent: Yes
Public Hearing:
Business Item:
Other:
CITY OF PERRIS
Capital Improvement Program Project Details

Project Number: S102
Project Title: Citywide Pavement Rehab
Managing Department: City Engineer

Project Description and/or Justification:
Pavement Rehabilitation for various City streets (utilizing SB1 funding).

Original Budget: 397,000
Budget Amendments: (397,000)
Total Project Costs: -
Available Funds: -

Project Dates:
Begin: 
Completion: 
Total Budget Additions (Deletions): (397,000)

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Budget Amendment Notes

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City is expecting to be awarded an estimate of $2.1M from SB1 Grant Contract. Current budget of $397K is to be removed as the State Grant will not be used to fund this project. Once SB1 Grant has been awarded, a budget amendment will be entered.

Total: $ 397,000 $ (397,000) $ -

S-102

As of 12/31/2017
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<th>Apparent Low Bidder</th>
<th>Phone</th>
<th>Bid Amount</th>
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</table>
| IE General Engineering  
1440 Beaumont Ave A2-130  
Beaumont CA 92223  
View Subcontractors | 951-760-8825 | $337,470 |

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<tr>
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| IE General Engineering  
1440 Beaumont Ave A2-130  
Beaumont CA 92223  
View Subcontractors | 951-760-8825 | $387,470 |
| All American Asphalt  
400 E 6th St  
Corona Corona CA 92878-2229  
View Subcontractors | (951) 736-7800 | $491,985 |

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SUBJECT: CDBG Citywide Sidewalk and Pedestrian Ramps Installation Project

REQUESTED ACTION: Adopt the Plans and Specifications for the CDBG Citywide Sidewalk and Pedestrian Ramps Installation Project; Award Contract to Greer’s Contracting & Concrete, Inc.; Reject All Other Bids and allocate $50,000 from Measure “A” Funds for Contingency and Construction Costs

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION: On July 18, 2018, five bids were submitted and revealed via Active Bidder for the CDBG Citywide Sidewalk and Pedestrian Ramps Installation Project. Bids ranged from $217,850 and $313,000. The low bid was submitted by Greer’s Contracting & Concrete, Inc.

Greer’s Contracting & Concrete, Inc. has completed multiple sidewalk installation projects for the City in the past, staff considers the quality of their work good, however, the Contractor may require some assistance with completion of necessary documents. This project will install new sidewalk, pedestrian ramps, and driveway approaches throughout the City’s downtown area. Construction is planned to begin at the end of August and 60 calendar days have been allotted to complete the project.

The project is currently only funded by Community Development Block Grant (CDBG). Staff recommends Council to adopt the plans and specifications, award the project to Greer’s Contracting & Concrete, Inc., allocate an additional $50,000 of available Measure A funding into the budget and authorize for construction contingencies.

A copy of the plans and specifications are available at City Clerk’s office.

BUDGET (or FISCAL) IMPACT: Adopted Capital Improvements Program Sheet S-103 identifies $223,000 from CDBG with transfer of $50,000 from Measure “A”, the project is fully funded.

Reviewed by:
City Attorney
Assistant City Manager
Director of Finance

Attachments: CIP Sheet S-103
Bid Results
Project Exhibit

Consent: Yes
Public Hearing:
Business Item:
Other:
CITY OF PERRIS
Capital Improvement Program Project Details

Project Number: S103
Project Title: Sidewalk & Pedestrian Ramps Installation
Managing Department: City Engineer

Project Description and/or Justification:
Install sidewalk and ADA compliant curb ramps for various City locations.

Original Budget: 223,665
Budget Amendments: -
Total Project Costs: -
Available Funds: 223,665

Project Dates:
Begin: 
Completion: 

Total Proposed Budget Additions (Deletions): -

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Total: 223,713 - - - - $ 223,713

Budget Amendment Notes

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Total: $ 223,665 $ - $ 223,665

S-103

As of 12/31/2017
### Apparent Low Bidder

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<td>Greers Contracting &amp; Concrete Inc.</td>
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<td>$217,850</td>
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<td>21490 Garfield Rd, Perris CA 92570</td>
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<td>Icpaving &amp; sealing Inc.</td>
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<td>1440 Beaumont ave A2.130, Beaumont CA 92595</td>
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<td>Aramexx Construction</td>
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<td>532 W First St 202, Claremont CA 91711</td>
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<tr>
<td>Hardy and Harper, Inc.</td>
<td>(714)444-1851</td>
<td>$313,000</td>
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<tr>
<td>1312 E. Warner Ave, Santa Ana CA 92705</td>
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### Incomplete Submissions

None
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: Environmental Enhancement and Mitigation (EEM) Program-
Resolution approving an application submittal for Environmental
Enhancement and Mitigation (EEM) program funding through the
California Natural Resources Agency.

REQUESTED ACTION: ADOPT a Resolution (next in order) authorizing the submittal of
an application for the Environmental Enhancement and Mitigation
(EEM) program funding for the Ramona Expressway Median
Mitigation Project

CONTACT: Habib Motlagh, City Engineer

BACKGROUND:

On April, 2018 the California Natural Resources Agency issued a 2018 Notice of Funding
Availability (NOFA) announcing the availability of grant funds under the Environmental
Enhancement and Mitigation (EEM) program. The California Natural Resources Agency is
authorized to allocate EEM Program funds made available from the California Natural Resources
Agency. Every EEM project must mitigate the environmental impacts of the modification of an
existing Transportation Facility, or the environmental impacts of the construction of a new
Transportation Facility.

The proposed project is to landscape the median on Ramona Expressway, East of Redlands to
Center Street (please see “Exhibit A” for project location). The installation of landscape will
offset vehicle emissions of carbon dioxide among the aforementioned location. In addition, this
grant will help with future mitigation efforts of development projects.

The City of Perris is an eligible State EEM Program jurisdiction, due to its entitlement status.
The grant application was submitted on June 22, 2018. Awards will be announced in the spring
of 2019. At this time staff is requesting approval of a resolution for authorization to submit an
application for EEM Program funding.

FISCAL IMPACT: Cost for grant preparation is provided in the General Fund for Fiscal Year
2017-2018. If awarded, the City will receive $497,759.01 for this project. Additional local funds
will be requested to implement the project, the amount of local funds will be determined at a
later date.

Prepared by: Rebecca Rivera, Project Manager
Reviewed by: Michael Morales, Capital Improvement Manager
City Engineer: Habib Motlagh
Director of Finance: Jennifer Erwin
Assistant City Manager: Darren Madkins
Attachments: Resolution
             Exhibit A

Consent: x
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,
APPROVING THE APPLICATION FOR GRANT FUNDS FOR
THE ENVIRONMENTAL ENHANCEMENT AND
MITIGATION (EEM) PROGRAM

WHEREAS, the Legislature and Governor of the State of California have enacted Section 164.56 of the California Streets and Highways Code, which is intended to provide grant funds to local, state and federal agencies and nonprofit entities for projects to enhance and mitigate the environmental impacts of modified or new public transportation facilities; and

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of this grant program, establishing necessary procedures and criteria, and is required to submit to the California Transportation Commission a list of recommended projects from which the grant recipients will be selected; and

WHEREAS, the City of Perris ("Applicant") will submit an application for a grant, and said procedures established by the California Natural Resources Agency require a resolution certifying the approval of an application by the Applicant’s governing board before submission of said application to the State; and

WHEREAS, the City of Perris, if selected, will enter into an agreement with the State of California to carry out the Project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the City Council does hereby approve the filing of an application for the Ramona Expressway Median Mitigation Project; and

Section 2. That the City Council certifies that Applicant understands the requirements in the Program Guidelines; and

Section 3. That the City Council certifies that Applicant will have sufficient funds to operate and maintain the project consistent with the land tenure requirements; or will secure the resources to do so; and

Section 4. That the City Council certifies that Applicant will record a document against the real property that defines the State’s interest in the property whether the Grantee owns the property or not;
Section 5. That the City Council certifies that Applicant will comply with the provisions of Section 1771.5 of the State Labor Code regarding payment of prevailing wages on Projects awarded EEM Program Funds; and

Section 6. That the City Council, if applicable, certifies that the project will comply with any laws and regulations including, but not limited to, legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable licenses and permits will have been obtained; and

Section 7. That the City Council Certifies that Applicant will work towards the Governor’s State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1; and

Section 8. That the City Council appoints the City Engineer of the City of Perris or his/her designee as agent to conduct all negotiations, execute and submit in the name of the City of Perris all documents, including but not limited to, applications, agreements, payment requests etc., which may be necessary for the completion of the aforementioned project.

Section 9. That the City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of said City; and shall make a minute of passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

ADOPTED, SIGNED AND APPROVED this 31st day of July, 2018.

Mayor, Michael M. Vargas

ATTEST:

__________________________
City Clerk, Nancy Salazar
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  §  
CITY OF PERRIS 

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number xxxx was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 31st day of July, 2018, and that it was so adopted by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN: 

______________________________________
City Clerk, Nancy Salazar
MEETING DATE: July 31, 2018

SUBJECT: Contract For Hydrology/Hydraulic and Storm Drain Engineering For Nuevo Road Bridge Replacement Project (CIP #S076)

REQUESTED ACTION: Approve a two year contract services agreement, with JLC Engineering & Consulting, Inc., for the Nuevo Road Bridge Replacement Project (CIP #S076), and authorize the City Manager to execute the Contract

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION:

On June 14, 2018 the City Council approved a one-year extension to the Contract Services Agreement with JLC Engineering & Consulting, Inc. for Hydrology and Engineering Design Services for the Nuevo Road Bridge Replacement and Widening Project (CIP # S-076). Work has continued on the final hydrology and engineering design, but the Contract has expired. Any additional Contract extension must be approved by the City Council. A sufficient budget remains to complete construction drawings, which are 55% complete. Therefore, staff is not requesting any additional funding to complete final designs. However, additional time is needed to complete the remaining portions of the work. Staff is requesting a two year extension from today’s date to complete the work; and provide for office and field construction services once construction gets underway. If approved, the expiration date of the Agreement would be July 31, 2020.

The original Agreement included final engineering and drawings, but did not provide for any Bidding/Construction Services, which will be required once construction gets underway. The anticipated construction time to complete the Bridge Replacement and Road Widening Project is one year. The necessary Bidding/Construction services would include request for information assistance, shop drawing and submittal review, and construction observation support services as they relate to all plans and specifications prepared by JLC Engineering. As such, Staff is recommending that the City Council approve these services in the amount of $33,060.00, and reimbursable expenses at $5,500.00. All services would be billed on a time and materials basis.

If the Agreement is extended by the City Council, Staff will review the required insurance certificates and insurance endorsements, and will request that the City Attorney review the proposed Agreement. Therefore, staff is recommending that the City Council authorize the City Manager to sign the Agreement between the City of Perris and JLC Engineering & Consulting, Inc. subject to non-substantive changes by the City Attorney’s Office.

BUDGET (or FISCAL) IMPACT:

The Contract would include $38,560 to provide for Bidding/Construction Services, bringing the total value of the Contract with JLC Engineering to $72,660.40. Adequate funding for the original contract and the revised services has been provided in the approved budget for the Nuevo Road Bridge Replacement Project (CIP #S076).

Reviewed by:

City Attorney:
Assistant City Manager:
Director of Finance:

Attachment(s): JLC Agreement

Consent: X
Public Hearing:
Business Item:
Other:
CITY OF PERRIS
CONTRACT SERVICES AGREEMENT FOR
HYDROLOGY/HYDRAULIC AND STORM DRAIN ENGINEERING SERVICES FOR
THE NUEVO BRIDGE WIDENING AND ROAD IMPROVEMENTS PROJECT

THIS CONTRACT SERVICES AGREEMENT (herein "Agreement") is made and entered into this 31 day of JULY, 2018, by and between the CITY OF PERRIS, a municipal corporation, (herein "City") and JLC ENGINEERING & CONSULTING, INC., (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONTRACTOR

1.1 Scope of Services.

In compliance with all of the terms and conditions of this Agreement, the Contractor shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Contractor warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance With Law.

All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

1.4 Additional Services

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, (ii) Phase Contract Sum, and/or (iii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to five percent (5%) of the Contract Sum or $25,000; whichever is less, or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time
consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefore.

1.5 Preparation of Designs.

Contractor has been hired to perform the services described in this Agreement, which include the creation of one or more designs, drawings, or plans ("Designs"). Within the scope of the services under this Agreement, Contractor is developing an estimate for the construction phase of the Project shown or described in the Designs ("Construction Budget"). Contractor shall be responsible to do Project estimating to create Designs which will enable the Project to be constructed within an amount which shall not exceed the Construction Budget by more than ten percent (10%). Should City solicit bids for construction of the Project, as such Project has been designed by Contractor, and the lowest responsible bid exceeds the Construction Budget by more than ten percent (10%), Contractor agrees to revise the previous Designs, or to create new Designs, at no additional cost to City, so that a new price can be negotiated or the Project can be re-bid so that the Project does not exceed the Construction Budget by more than ten percent (10%). Notwithstanding the foregoing, Contractor is not responsible for changes in the Project scope initiated by City and all such changes shall include appropriate mutually agreed changes to the Construction Budget. Contractor is also not responsible for increased cost of materials, labor, transportation, taxes or other costs associated with material shortages, strikes, wars, natural disasters or any other act not directly under the control of the Contractor, and all such changes shall include appropriate mutually agreed changes to the Construction Budget.

2.0 COMPENSATION

2.1 Contract Sum.

For the services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "B" and incorporated herein by this reference, but not exceeding the maximum contract amount of seventy-two thousand six hundred sixty and 40/100 dollars ($72,660.40) (herein "Contract Sum"). For the services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "B" and incorporated herein by this reference, but not exceeding the maximum contract amount for each phase and sub-task as follows: Phase I-Sub-Task A, two thousand eight hundred sixteen and 40/100 dollars ($2,816.40); Phase I-Sub-Task B, fourteen thousand eight hundred fifty and 00/100 dollars ($14,850.00); Phase I-Sub-Task C four thousand five hundred seventy-six and 00/100 dollars ($4,576.00); Phase I-Sub-Task D five thousand three hundred ninety and 00/100 dollars ($5,390.00); Phase I-Sub-Task E two thousand five hundred eight and 00/100 dollars ($2,508.00); Phase I-Sub-Task F three thousand nine hundred sixty and 00/100 dollars ($3,960.00); Phase 2 thirty-three thousand sixty and 00/100 dollars ($33,060.00); and Reimbursables for all phases combined, at cost (unless otherwise specified in Exhibit B), but not to exceed five thousand five hundred and 00/100 dollars ($5,500.00) (herein "Phase Contract Sum"), except as provided in Section 1.5. The method of compensation shall include: (i) payment issued at satisfactory completion of thirty three and one third percent (33.3%), sixty-six and five tenths percent (66.6%), and one hundred percent (100%) of the services during Phase I-Sub-Tasks A through F as determined by City; (ii) payment for time and materials for Phase IV based upon the Contractor's rates as specified in the Schedule of Compensation, but not exceeding the Phase Contract Sum, and the amount paid shall not exceed the percentage completion of the construction as determined by the City (i.e. fifty percent (50%) of the budget will be paid at fifty percent (50%) of completion); and (iii) payment for reimbursables
at cost including mileage, overnight mailing, renderings/graphics, blueprints or Xerox copies. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City (See Exhibit A); Contractor shall not be entitled to any additional compensation for attending said meetings.

2.2 Method of Payment.

Contractor shall submit to the City, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.3, and in accordance with the “Schedule of Compensation,” Exhibit “B”, and upon receipt and approval of the invoice by the City, City shall pay Contractor within a reasonably prompt manner consistent with City’s normal procedures for payable accounts, but not to exceed thirty (30) days from the date that the invoice is received by City.

3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the “Schedule of Performance” attached hereto as Exhibit “C” and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred twenty (120) days cumulatively, if deemed necessary by the Contract Officer.

3.4 Force Majeure

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City. Contractor shall notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer’s determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor’s sole remedy being extension of the Agreement pursuant to this Section.
4.0 COORDINATION OF WORK

4.1 Representative of Contractor.

Joseph L. Castaneda, is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

4.2 Contract Officer.

Michael A. Morales, or his designee, is hereby designated as being the representative of City authorized to act on its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer by providing written notice to Contractor.

4.3 Prohibition Against Subcontracting or Assignment.

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

5.0 INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:
(a) **Commercial General Liability Insurance.** A policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least $2,000,000 bodily injury and property damage including coverages for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations. The Commercial General Liability Policy shall name the City, Riverside County, and their officers, employees and agents as additional insureds in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language. The Commercial General Liability Insurance shall name the City of Perris, California, its officers, employees and agents as additional insureds.

(b) **Worker's Compensation Insurance.** A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which will include $1,000,000 employer's liability.

(c) **Business Automobile Insurance.** A policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of $1,000,000 bodily injury and property damage. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) **Professional Liability.** Professional liability insurance in a minimal amount of $1,000,000.00 combined single limit per occurrence and $2,000,000.00 in the aggregate.

All of the above policies of insurance shall be primary insurance. The insurer shall waive all rights of subrogation and contribution it may have against the City of Perris, California, its officers, employees and agents, and its insurers. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

Contractor agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.3 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section.

5.2. **Indemnification.**

(a) Contractor agrees to indemnify the City, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys fees, or paying any judgment
that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision covenant or condition of this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of the City.

5.3 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or designee of the City due to unique circumstances. In the event the City's Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 5 may be changed accordingly upon receipt of written notice from the City's Risk Manager or designee; provided that the Contractor shall have the right to appeal a determination of increased coverage by the City's Risk Manager to the City Council within ten (10) days of receipt of notice from the City's Risk Manager.

6.0 TERM

6.3 Term.

The term of this Agreement shall commence July 31, 2018 and shall continue until July 31, 2020 unless earlier terminated in accordance with Section 6.2 below.

6.2 Termination Prior to Expiration of Term.

Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Contractor shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the City, Contractor shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

7.0 REPORTS AND RECORDS

7.1 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances,
techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein; or if Contractor is providing design services and becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the project being designed, Contractor shall promptly notify the Contract Officer of such fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

7.2. Records Retention Clause Examination and Audit.

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable accounting principals. Said books and records shall be made available to the City, the State Auditor of California, the Federal Government and any authorized representatives thereof for purposes of auditing at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the final payment is received by the Contractor.

7.3. Ownership of Documents.

All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and the City shall indemnify the Contractor for all damages resulting therefrom. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.


(a) Contractor in the course of its duties may have access to confidential data of City or its employees. Contractor agrees that all data, documents, discussion, or other information developed or received by Contractor or provided for performance of this Agreement and any communications between Contractor and the City or its respective representatives and contractors are deemed confidential and privileged attorney work product. All City data shall be returned to the City upon the termination of this Agreement. Contractor's covenant under this Section shall survive the termination of this Agreement.

(b) Contractor will not disclose any report, materials or other information generated or gathered during the course of its performance of its duties under this Agreement or any of its findings, or any information which it obtains or of which it becomes aware
in the course of this project, to any third parties or any governmental agency or entity without the City’s prior express, written approval. If Contractor believes that it is required by law to disclose any such information, it shall not do so until it has first advised the City of the necessity to make such disclosure and given the City a full opportunity to determine whether such disclosure is required by law. The City shall grant such authorization if it determines that the law requires disclosure.

(c) Nothing contained in this Section 6 shall preclude either party from disclosing information or data: (A) which are generally available to the public without the receiving party’s fault at any time before or after acquisition from the transmitting party; or (B) which are obtained or acquired in good faith at any time by the receiving party from a third party who has disclosed the same in good faith and is not under any obligation to the transmitting party in respect thereof; or (C) where a written release is obtained by the receiving party from the transmitting party.

8.0 MISCELLANEOUS

8.1 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

8.2 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Conflict of Interest.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.4 Notice.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager.
and to the attention of the Contract Officer, CITY OF PERRIS, 101 North D Street, Perris, CA 92570, and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement.

8.5 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.6 Integration: Amendment.

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.7 Severability.

In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.8 Waiver.

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.10 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally
bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[END - SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

Nancy Salazar, City Clerk

CITY:

CITY OF PERRIS,
a municipal corporation

Richard Belmudez, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Eric L. Dunn, City Attorney

CONTRACTOR:

JLC ENGINEERING & CONSULTING, INC.

By: ____________________________
    Signature

Print Name and Title

By: ____________________________
    Signature

Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of the Board, President, and Vice President; and B. Secretary, Assistant Secretary, Treasurer, or Chief Financial Officer.)

[End of Signatures]
EXHIBIT "A"

SCOPE OF SERVICES

I. FINAL ENGINEERING SERVICES

A. HEC-RAS MODELING FOR NUÉVO CULVERT CROSSING

Contractor shall prepare a hydraulic model that will assess will assess the Perris Valley Channel system using the 100-year flow rate based on hydrology model obtained from RCFC & WCD or Webb. However, the 10-year storm event will require some hydrology modeling which will be obtained by revising the rainfall depths that were part of the Perris Valley Channel hydrology model that computed the 100-year storm event flow rate. The following task will be included:

- Prepare a HEC-RAS model for 3,800 linear feet of Perris Valley Channel for the Pre-Project and Post Project Conditions. The hydraulic model will extend 1,200 feet downstream of the Nuevo and 1,600 feet upstream of Nuevo Road. The model will implement no more than 18 cross sections.
- Perform hydraulic analyses that will demonstrate that the proposed crossing can pass the 10-year flow rate and allow the 100-year event to overtop Nuevo Road without causing an upstream and downstream impact.
- Prepare exhibits showing the pre-project and post project flooding conditions.
- Perform comparative analyses to demonstrate that project does not impact the Perris Valley Channel.
- Revise the approved hydrology model approved by RCFC & WCD for the preferred Perris Valley Channel alternative to obtain the 10-year flow rate.

It should be noted that CONTRACTOR will require Tri-Lake to provide survey support in order to provide the necessary cross section for the Nuevo Road Bridge and grade stabilizer within Perris Valley Channel. CONTRACTOR will require approximately 2 days of survey support.

Deliverables: Hydrology Report, Exhibits of pre and post project flooding conditions (8 1/2" x 11", 11" x 17", 24" x 36") and reports or studies necessary to develop HEC-RAS model including the revised hydrology model approved by RCFC & WCD, originally stamped and wet signed and hard copies, and digital copies of the foregoing reports and exhibits in Microsoft Word, PDF (latest version) and Auto-Cad LT (latest version), on a CD-ROM or electronic media, as determined by the City.

B. DRAINAGE IMPROVEMENT PLANS

Contractor shall prepare improvement plans, profiles, and details at a 1"=40 scale for the Nuevo Road RCB Culvert Crossing required to provide 10-year flood protection. This includes an engineering estimate of quantities and costs for agency bonding purposes. Plans shall be provided for the following facilities:

- Nuevo Road RCB Culvert – Design a multiple barrel RCB culverts for Nuevo Road. The design shall include headwalls, rip-rap dissipaters, and channel side slope armorment upstream and downstream of the culvert.
- Provide the necessary grading upstream and downstream of the culvert that will be required within the Perris Valley Channel.
- Coordinate the culvert design with Tri Lake Consultants Nuevo Road Design to ensure that the vertical and horizontal design will allow the 10-year storm will flow through the culvert and the 100-year to overtop the roadway.

The scope assumes that a total of 5-6 sheets are required for the improvement plans. The design does not include structural calculations for culvert. The scope assumes that Tri-Lake will provide the required structural details and calculations for the culvert crossing.

Deliverables: Final construction set Drainage Improvement Plan; details, sections, legends, construction notes supporting preceding plans; specifications, in book format; bid schedule of values in industry standard unit prices; originally stamped and wet signed versions of the preceding plans on hard copies (11" x 17", 24" x 36"), and digital copies of the foregoing plans and specifications and bid schedules in Microsoft Word, PDF (latest version) and Auto-Cad LT (latest version), on a CD-ROM or electronic media, as determined by the City.
C. FINAL DRAINAGE REPORT

Contractor shall prepare a final drainage report that includes the hydraulic calculations in support of the Nuevo Road RCB Culvert that will be submitted to the City of Perris and RCFC & WCD for approval. The report will include calculations consisting of the following:

- Hydraulic calculations for the existing Perris Valley Channel using HEC-RAS analyses.
- An exhibit delineating the flood plain for the Pre-Project and Post-Project conditions.
- Culvert data and hydraulic parameters used for the study.

Deliverables: Drainage Report; Exhibits of pre and post project flood plain conditions (8 ½" x 11", 11" x 17", 24" x 36"); and reports or studies necessary to develop report. Responses to comments/redlines received from RCFC&WCD until final approval is obtained; originally stamped and wet signed and hard copies, and digital copies of the foregoing reports and exhibits in Microsoft Word, PDF (latest version) and Auto-Cad LT (latest version), on a CD-ROM or electronic media, as determined by the City.

D. STORM DRAIN IMPROVEMENT PLANS

Contractor shall prepare storm drain improvement plans using RCFC&WCD standard borders for a proposed storm drain to be located within the Nuevo Road right-of-way. The plan and profile will be designed at a 1"=20' scale. A total of 4 storm drain improvement plan sheets are anticipated as part of the project. This includes an engineering estimate of quantities and costs for agency bonding purposes. The scope of work shall include the following:

- A hydrology analyses that assess the runoff from the proposed street improvements between Evans Road and Murrieta Road.
- Hydraulic analyses and catch basin analysis for the proposed storm drain systems to service the project.
- A final report that support the storm drain improvement plans.

Deliverables: Final construction set Storm Drain Improvement Plan; details, sections, legends, construction notes supporting preceding plans; specifications, in book format; bid schedule of values in industry standard unit prices; originally stamped and wet signed versions of the preceding plans on hard copies (11" x 17", 24" x 36"), and digital copies of the foregoing plans and specifications and bid schedules in Microsoft Word, PDF (latest version) and Auto-Cad LT (latest version), on a CD-ROM or electronic media, as determined by the City.

E. WATER QUALITY MANAGEMENT PLAN

Contractor shall prepare a final WQMP that will be used to establish and complement the design of the proposed project site using the “Guidance and Standards for Transportation Projects”. The WQMP will be used to meet the water quality standards as outlined by RCFC & WCD. The following shall be performed:

- Evaluate the site layout plan and determine the constituents of concern related to each land use.
- Provide a matrix that identifies potential BMPs that treat the constituents of concern identified for the downstream water courses.
- Perform water quality hydrology analyses to size the potential BMPs using the guidelines established in the RCFC & WCD WQMP and BMP Manual
- Prepare a WQMP Site Plan that includes final cross sections and details related to the proposed BMPs

Deliverables: Final Water Quality Management Plan (WQMP) (3-ring binder, 8 ½" x 11", 11" x 17", 24" x 36"); Responses to comments/redlines received from Permitting Agencies until final approval is obtained; BMP details, sections, legends, construction notes supporting BMP's; specifications, in book format; bid schedule of values in industry standard unit prices; originally stamped and wet signed versions of the preceding plans on hard copies, and digital copies of the foregoing plans and specifications and bid schedules in Microsoft Word, PDF (latest version) and Auto-Cad LT (latest version), on a CD-ROM or electronic media, as determined by the City.
F. AGENCY PROCESSING, MEETINGS AND COORDINATION

CONTRACTOR shall provide up to twenty-four (24) hours of agency processing, meeting and coordination time with the Client, RCFC & WCD, and other consultant team members in support of the final engineering process. Additionally, the scope will include an additional twenty-four (24) hours for monthly meeting with the project team in order to discuss project status and project issues. Time is to be billed only as incurred. Additional time will be billed on a time and material basis in accordance with our standard hourly fee rate schedule.

Exclusions:

1. Structural Analyses, Calculations, Design and Details. The scope assumes that structural analyses and design for the culvert will be provided by Tri-Lake.
2. Scope does not include potholing. Potholing will be identified during the design process.
3. Utility Relocation: The scope assumes that utility relocations will be performed by Tri-Lake.
4. Survey Support: Scope does not include the two days of survey support that will be required to provide supplemental data for the HEC-RAS modeling.
5. Sediment Transport Analyses: Scope of work does not include a sediment transport model.

Deliverables: Standard meeting notes on hard copy format; completed encroachment permit applications; any other preliminary reports and studies and sketches and drawings necessary to facilitate processing through permitting agencies; responses to permitting agencies until approval is obtained.

PHASE II: BIDDING, CONSTRUCTION SERVICES

Contractor shall provide limited bidding services (including RFI), construction support services and request for information assistance to the City, as it relates to all plans and specifications prepared by the Contractor as described in the preceding paragraphs.

2.1 Contractor shall provide office bidding services on a time and materials basis. Sub-tasks shall include:

- Contractor shall provide limited bid assistance to the City, which shall include: answering questions from prospective bidders, bid analysis to determine lowest responsible bidder (in the event equal products are proposed). Attendance at the preconstruction meeting will be at the discretion of the City.

2.2 Contractor shall provide office construction services on a time and materials basis. Sub-tasks shall include:

- Contractor shall assist the City during the construction phase of the project. Contractor shall advise and consult with the City on all matters arising from the meaning and intent of any portion of the specifications, and of any plans or drawings where the same may be found obscure or to be in dispute. Contractor shall prepare clarification bulletins, details or drawings as necessary to respond to construction questions and field conditions.

- Based on specific intervals for field inspection, Contractor shall deliver inspection reports and photos, coordinate with City to review and approve or disapprove all construction payments submitted by the contractor to the City of Perris.

- Contractor shall review and comment upon all shop drawings and submittals. Contractor shall participate in a walk-through and prepare a punch list, which will document items to be completed prior to the City's preparation of a Notice of Completion.

2.3 Contractor shall provide field construction services on a time and materials basis. Sub-tasks shall include:
- The Contractor shall visit the site at intervals appropriate to the stage of construction (i.e. 12 ea visits). Contractor shall become familiar with the progress and quality of the work to determine, in general, if the construction is proceeding in accordance with substantial compliance with intent of the specifications, plans and drawings. On the basis of such observation, the Contractor shall inform the agency and document (photo and written) as to the progress and quality of the work.

- As required, Contractor shall participate in a final acceptance walk-through of the project to verify if all punch list items have been addressed and to make recommendations of acceptance as appropriate.

Deliverables: Standard meeting notes; oral and written responses, clarification bulletins; punch lists/field memorandums summarizing field visits; details or drawings as necessary for field inquiries; reports on construction activity for the purpose of approving construction draws or invoices.

PHASE III: GENERAL SERVICES AND PROJECT ADMINISTRATION

3.1 Contractor shall, at no cost to the City, designate a senior staff member as project manager. Said staff member shall be the Contractor’s primary liaison with the City for all matters relating to this project for the entire term of the agreement developed under this Agreement. Contractor shall be available to answer questions regarding the project scope, documents, milestones, plans, specifications, etc.

3.2 Contractor shall, at no cost to the City, correct any and all errors and omissions in products delivered, which are discovered subsequent to the completion of the review process.

3.3 Contractor shall, at no cost to the City, prepare and maintain a “Schedule of Performance” to include realistic periods for final design, reviews, and approvals.

3.4 Contractor shall, at no cost to the City, submit invoices to the City based on the agreed upon rates for the percentage of work completed. Each invoice will be itemized to show tasked performed, hours, and percentage of work completed. Monthly progress report must be attached to each invoice. Contractor shall be paid for time and materials, and percentage of completion basis, and the amount paid will not exceed the percentage completion of the project (i.e. 33% of the budget will be paid at 33% completion). All requests for billing, which do not reflect the pre-determined percentage of completion noted on Schedule of Compensation, shall be returned by City to Contractor, unpaid (i.e. a 20% billing invoice for a scheduled completion value of 33% shall not be paid).

3.5 Site visits required before, during, or after construction for purpose of accurate design, problem resolution or changes due to inaccurate design and changes imposed by regulatory agencies will be the responsibility of the Contractor.
EXHIBIT "B"

SCHEDULE OF COMPENSATION

Contractor shall be paid for time and materials based upon the following rates, and the amount paid will not exceed the percentage completion of the project (i.e. 33% of the budget will be paid at 33% completion) in accordance with Section 2.1 of the Agreement, but not to exceed the following amounts for each individual phase:

**TASK 1-FINAL ENGINEERING SERVICES**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Maximum Hours</th>
<th>Maximum Hourly Fee in ($)</th>
<th>Maximum Not To Exceed Total (in $)</th>
</tr>
</thead>
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<tr>
<td>Sub-Task A (at 33.3% completion)</td>
<td>8.5</td>
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<td>938.80</td>
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<tr>
<td>Sub-Task A (at 66.6% completion)</td>
<td>8.5</td>
<td>*</td>
<td>938.80</td>
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<tr>
<td>Sub-Task A (at 100% completion)</td>
<td>8.5</td>
<td>*</td>
<td>938.80</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SUB-TASK A TOTAL = $2,816.40</td>
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<tr>
<td>Sub-Task B (at 33.3% completion)</td>
<td>45.0</td>
<td>*</td>
<td>4,950.00</td>
</tr>
<tr>
<td>Sub-Task B (at 66.6% completion)</td>
<td>45.0</td>
<td>*</td>
<td>4,950.00</td>
</tr>
<tr>
<td>Sub-Task B (at 100% completion)</td>
<td>45.0</td>
<td>*</td>
<td>4,950.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SUB-TASK B TOTAL = $14,850.00</td>
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<tr>
<td>Sub-Task C (at 33.3% completion)</td>
<td>13.8</td>
<td>*</td>
<td>1,525.33</td>
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<tr>
<td>Sub-Task C (at 33.3% completion)</td>
<td>13.8</td>
<td>*</td>
<td>1,525.33</td>
</tr>
<tr>
<td>Sub-Task C (at 33.3% completion)</td>
<td>13.8</td>
<td>*</td>
<td>1,525.34</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>SUB-TASK C TOTAL = $4,576.00</td>
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<tr>
<td>Sub-Task D (at 33.3% completion)</td>
<td>16.33</td>
<td>*</td>
<td>1,796.67</td>
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<tr>
<td>Sub-Task D (at 66.6% completion)</td>
<td>16.33</td>
<td>*</td>
<td>1,796.67</td>
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<tr>
<td>Sub-Task D (at 100% completion)</td>
<td>16.33</td>
<td>*</td>
<td>1,796.67</td>
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<td>SUB-TASK D TOTAL = $5,390.00</td>
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<tr>
<td>Sub-Task E (at 33.3% completion)</td>
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<tr>
<td>Sub-Task E (at 66.6% completion)</td>
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<td>*</td>
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<tr>
<td>Sub-Task E (at 100% completion)</td>
<td>7.6</td>
<td>*</td>
<td>836.00</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>SUB-TASK A TOTAL = $2,508.00</td>
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<tr>
<td>Sub-Task F (at 33.3% completion)</td>
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<td>1,320.00</td>
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<tr>
<td>Sub-Task F (at 66.6% completion)</td>
<td>12.0</td>
<td>*</td>
<td>1,320.00</td>
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<tr>
<td>Sub-Task F (at 100% completion)</td>
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<td>1,320.00</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>SUB-TASK E TOTAL = $3,960.00</td>
</tr>
</tbody>
</table>

TOTAL CONTRACT SERVICES = $34,100.40

EXHIBIT "B" (Page 1 of 2)
TO CONTRACT SVC'S AGR
WITH JLC ENGINEERING, INC.
Contractor shall be paid for time and materials based upon the following rates, and the amount paid will not exceed the percentage completion of the project (i.e. 50% of budget will be paid at 50% completion), in accordance with Section 2.1 of the Agreement, but not to exceed the following amount for Phases 2.1 and 2.2 and 2.3:

**BID AND CONSTRUCTION SERVICES**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Maximum Hours</th>
<th>Maximum Fee (in $)</th>
<th>Maximum Not To Exceed Total (in $)</th>
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</thead>
<tbody>
<tr>
<td>2.1 (at 100% completion office bidding services)</td>
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<td>4,930</td>
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<tr>
<td>2.2 (at 50% completion office construction services)</td>
<td>63</td>
<td>*</td>
<td>9,135</td>
</tr>
<tr>
<td>2.2 (at 100% completion office construction services)</td>
<td>63</td>
<td>*</td>
<td>9,135</td>
</tr>
<tr>
<td>2.3 (at 50% completion field construction services)</td>
<td>34</td>
<td>*</td>
<td>4,930</td>
</tr>
<tr>
<td>2.3 (at 100% completion field construction services)</td>
<td>34</td>
<td>*</td>
<td>4,930</td>
</tr>
</tbody>
</table>

**TOTAL BID AND CONSTRUCTION SERVICES = $33,060.00**

**REIMBURSABLES**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Maximum Not To Exceed Total (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mileage @ .57 cents per mile at cost (to-from job and pick-up delivery)</td>
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</tr>
<tr>
<td>Reprographic services and plotting at cost</td>
<td></td>
</tr>
<tr>
<td>Overnight mailing at cost</td>
<td></td>
</tr>
<tr>
<td>Rental Equipment and Fees (at cost +12%)</td>
<td></td>
</tr>
<tr>
<td>Commercial Delivery Services (at cost +12%)</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL REIMBURSABLES = $5,500.00**

**MAXIMUM HOURLY RATES**

- **General**
  - President / Principal: $175.00
  - General Administration / Clerical: $75.00
- **Civil**
  - Project Manager: $155.00
  - Senior Project Engineer: $125.00
  - Project Engineer: $100.00
  - Design Engineer / Designer: $90.00
  - CADD Designer: $85.00
  - Senior CADD Drafter: $75.00
  - CADD Drafter: $70.00
- **Construction Management**
  - Resident Engineer: $120.00
  - Assistant Resident Engineer: $110.00
  - Field Inspector: $85.00
- **Survey**
  - Three Person Survey Crew / GPS Crew: $255.00
  - Two Person Survey Crew / GPS Crew: $230.00
  - One Person Survey / GPS Crew: $200.00
  - Senior Project Manager / Project Manager: $135.00
  - Survey Analyst: $110.00
- **GIS Specialist**
  - $95.00
- **Litigation Consultant / Expert Witness**
  - $375.00
- **Courier Services**
  - $75.00

587 0161540001
93504 01 467 20 18

CONTRACT SVCS AGR
WITH JLC ENGINEERING, INC.
**EXHIBIT "C"**

**SCHEDULE OF PERFORMANCE**

<table>
<thead>
<tr>
<th></th>
<th>Task Description</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.A</td>
<td>Deliver 66.6% HEC-RAS Model to City for Review</td>
<td>August 30, 2018</td>
</tr>
<tr>
<td>1.A</td>
<td>Deliver Final HEC-RAS Model to City for Review</td>
<td>September 30, 2018</td>
</tr>
<tr>
<td>1.B</td>
<td>Deliver Drainage Improvement 66.6% bid documents, plans, specifications and probable construction costs to City for plan check</td>
<td>October 30, 2018</td>
</tr>
<tr>
<td>1.B</td>
<td>Revise and resubmit Drainage Improvement bid documents, plans, specifications and probable construction costs to City for subsequent plan check as necessary</td>
<td>2 weeks from receipt of redlined comments</td>
</tr>
<tr>
<td>1.C</td>
<td>Deliver 66.6% Drainage Report to City For Review</td>
<td>August 30, 2018</td>
</tr>
<tr>
<td>1.C</td>
<td>Deliver Final Drainage Report to City For Review</td>
<td>September 30, 2018</td>
</tr>
<tr>
<td>1.D</td>
<td>Deliver Storm Drain Improvement 66.6% bid documents, plans, specifications and probable construction costs to City for plan check</td>
<td>October 30, 2018</td>
</tr>
<tr>
<td>1.D</td>
<td>Revise and resubmit Storm Drain bid documents, plans, specifications, and probable construction costs to City for subsequent Plan checks as necessary</td>
<td>2 weeks from receipt of redlined comments</td>
</tr>
<tr>
<td>1.E</td>
<td>Deliver WQMP 66.6% bid documents, plans, specifications and probable construction costs to City for plan check</td>
<td>September 30, 2018</td>
</tr>
<tr>
<td>1.E</td>
<td>Revise and resubmit WQMP bid documents, plans, specifications, and probable construction costs to City for subsequent Plan checks as necessary</td>
<td>2 weeks from receipt of redlined comments</td>
</tr>
<tr>
<td>2.1</td>
<td>Provide Bid Assistance to City, written clarifications, addenda, etc.</td>
<td>Spring, 2019</td>
</tr>
<tr>
<td>2.2 &amp; 3</td>
<td>Provide Construction Observation services, visit construction site, attend progress meeting, respond to Request For Information (RFI’s), etc.</td>
<td>Spring, 2019</td>
</tr>
</tbody>
</table>
MEETING DATE: July 31, 2018

SUBJECT: Linear Park Lighting Project- (Specification #CIP P-038)

REQUESTED ACTION: Adopt Plans and Specifications, and Award the Contract to Ace Electric, Inc.; Authorize 10% Contingency; and authorize the City Manager to execute the agreement

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION:

The Project includes the installation of a new pedestrian scale lighting system consisting of LED light poles and bollards, solar light poles, and Wi-Fi remote access lighting controls at Linear Park East, 3403 Avalon Parkway.

After a formal bid solicitation process, the City received a sole/single bid proposal from Ace Electric, Inc., in the amount of $574,318.00. However, this amount exceeds the funds currently available for the project. City Staff analyzed the bid proposal and the construction plans, and eliminated some of the bollard lights without compromising the project goals and objectives. The impact to the lighting design and lighting levels for the Main Trail would be negligible. This is accomplished by eliminating bollards placed in other areas of the Park. All 32 light poles originally planned for the Main Trail itself, as well the 16 bollards at the entrances to the Trail would remain (see attached Exhibit). According to the prices submitted by Ace Electric, Inc., this part of the project could be constructed for $379,940.51, and Ace Electric, Inc. has indicated their willingness to accept the revised scope.

Staff is recommending that the City Council authorize the City Manager to execute the Construction Contract, plus a 10% contingency fund. Copies of plans and specifications are available at City Clerk’s office.

The Council may elect to appropriate funding in the future for additional lighting, however it is recommended that the project with reduced lighting be complete prior to any additional work.

BUDGET (or FISCAL) IMPACT:

Adequate funding has been allocated by the City Council in the approved 2017-18 CIP budget (CIP-P038) to construct the Improvements valued at $379,940.51 and provide for a 10% contingency fund.

REVIEWED BY:

City Attorney:
Assistant City Manager:
Director of Finance:

Attachment(s): Exhibit, Bid Summary, Draft Agreement

Consent: X
Public Hearing: Business Item: Other:
Linear Park Lighting Project

Post Date: 06/20/2018 14:27 PDT
Due Date: 07/17/2018 before 17:00 PDT
Estimated Value: $415,500

<table>
<thead>
<tr>
<th>#</th>
<th>Name</th>
<th>Company</th>
<th>Address</th>
<th>Phone</th>
<th>Amount</th>
<th>Submitted</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>powell carol</td>
<td>Ace Electric Inc</td>
<td>PO Box 601071</td>
<td>6198144767</td>
<td>$574,316</td>
<td>07/17/2018</td>
<td>Low Bidder</td>
</tr>
</tbody>
</table>
CITY OF PERRIS
PUBLIC WORKS CONTRACT FOR
LINEAR PARK LIGHTING PROJECT
(Specification No. #CIP P-038)

THIS PUBLIC WORKS CONTRACT (herein "Agreement") is made and entered into this 31st day of July, 2018, by and between the CITY OF PERRIS, a municipal corporation, (herein "City") and ACE ELECTRIC, INC., (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONTRACTOR

1.1 Contract.

The complete contract includes all contract documents, to wit: Linear Park Lighting Project Specifications and Information for Bidders (Specification No. #CIP P-038), which are incorporated by this reference as though set forth in full herein.

1.2 Scope of Services.

In compliance with all of the terms and conditions of this Agreement, the Contractor shall furnish all tools, equipment, services, apparatus, facilities, transportation, labor, building/encroachment permits, disposal and materials necessary and reasonably incidental to upgrading the existing electrical meter and pedestal, installing a new pedestrian scale lighting system consisting of LED light poles and bollards, solar light poles, and wi-fi remote access lighting controls at Linear Park East, 3403 Avalon Parkway, Perris, CA 92570 in strict accordance with the Specifications and Information for Bidders, Specification No. #CIP P-038. Contractor warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.3 Incorporation of and Compliance With State, Federal and Local Law.

All applicable State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions required to be contained in public works contracts which are not specifically referenced in the Agreement are incorporated herein by this reference. The Contractor is responsible for and has an independent duty to be familiar with all State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions related to, pertaining to, and/or associated with the work and services to be provided under the Agreement. All work and services rendered hereunder shall be provided in accordance with all laws, statutes, rules, regulations, orders, determinations, and resolutions of the City and any Federal, State or local governmental agency of competent jurisdiction.
1.4 **Licenses, Permits, Fees and Assessments.**

If applicable, Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

1.5 **Additional Services**

City shall have the right at any time during the performance of the work and services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a signed and authorized written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. City and Contractor agree to negotiate the cost for additional services based on the unit pricing proposed by the Contractor in the original Bid Schedule of Values found in Section BF, “Bid Form,” of Specification No. #CIP P-038. City and Contractor agree that City may seek additional cost estimates from third party contractors to perform additional services. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, while City seeks estimates from third party contractors to perform additional services. Written orders shall be made on forms prescribed by the Contract Officer in accordance with Part I “Procedural Documents,” Section CO of Specification No. #CIP P-038. Any increase in compensation of up to ten percent (10%) of the Contract Sum; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services and work specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the work and services to be provided pursuant to the Scope of Services may be more costly or time consuming than the Contractor anticipates and that the Contractor shall not be entitled to additional compensation therefore.

2.0 **COMPENSATION**

2.1 **Contract Sum.**

For the services rendered pursuant to this Agreement, the Contractor shall be compensated, except as provided in Section 1.5, the sum of three hundred seventy-nine thousand nine hundred forty and 51/100 dollars ($379,940.51), in accordance with Parts 2, 3, and 4 titled “General Provisions,” “Standard Provisions,” and “Construction Materials, Methods & Specifications and Payment Requirements,” respectively, of Specification No. #CIP P-038; and Section BF, “Bid Form,” “Bid Schedule of Values” of Specification No. #CIP P-038.

2.2 **Method of Payment.**

Contractor shall submit to the City, an invoice for services rendered prior to the date of the invoice. In accordance with Parts 2, 3 and 4; and Section BF, “Bid Form,” of Specification No. #CIP P-038; and upon receipt and approval of invoice by the City, City shall pay Contractor
within a reasonably prompt manner consistent with City’s normal procedures for payable accounts, but not to exceed thirty (30) days from date received by City, unless otherwise directed by the labor compliance officer. Progress payments shall be issued upon successful completion of items listed on the bid schedule of values, and inspection made by the City, unless otherwise directed by the project manager or labor compliance officer. A retention of ten percent (10%), unless otherwise directed by the project manager shall be withheld from this payment. Upon completion of the work by the contractor, a final inspection shall be made by the City. Unless otherwise directed by the project manager, upon approval, the City shall file a Notice of Completion and a final payment will be issued (minus ten (10%) percent retention). The final retention payment shall be issued following 45 days from the filing of the Notice of Completion, unless otherwise directed by the labor compliance officer. The City must pay interest at the legal rate on any Contractor payment request not paid within 30 days of its submission when the validity of the request is not disputed and the request has been properly submitted. (Public Contract Code § 20104.50.)

2.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor’s acts or omissions in performing or failing to perform Contractor’s obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

3.0 COORDINATION OF WORK

3.1 Representative of Contractor.

Jeffrey A. Hinds, is designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

3.2 Contract Officer.

Michael Morales, is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer at any time.
3.3 **Prohibition Against Subcontracting or Assignment.**

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 **Independent Contractor.**

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way for any purpose become or deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise of Contractor.

4.0 **INSURANCE, INDEMNIFICATION AND BONDS**

4.1. **Insurance.**

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) **Commercial General Liability Insurance.** A policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least $2,000,000 bodily injury and property damage including coverages for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations. The Commercial General Liability Policy shall name the City of Perris, California, its officers, employees and agents as additional insureds in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language.

(b) **Worker’s Compensation Insurance.** A policy of worker’s compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) **Business Automobile Insurance.** A policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of $1,000,000 bodily injury and property damage. Said policy shall include coverage for owned, non-owned, leased and hired cars.
All of the above policies of insurance shall be primary insurance. The insurer shall waive all rights of subrogation and contribution it may have against the City of Perris, California, its officers, employees and agents, and its insurers. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

Contractor agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible.

In the event the Contractor subcontracts any portion of the work in compliance with Section 3.3 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section.

4.2. Indemnification.

(a) To the fullest extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the City of Perris, California, its elected and appointed officials and members, officers, attorneys, agents, representatives, consultants, employees, directors, shareholders, successors, and assigns (individually as “Indemnitee” and collectively, “Indemnities”) from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, expert witnesses, consultants, or other professionals and all costs associated therewith (collectively, “Claims”), to the extent arising or claimed to arise out of, in connection with, resulting from, or related to any negligent act, error, omission or failure to act of Contractor or any of its subcontractors and their respective officers, agents, servants, employees, subcontractors, materialmen, suppliers or Contractor's failure to perform or negligent performance of any term, provision, covenant or condition of the Agreement or the Scope of Services, including this indemnity provision. This indemnity also applies to any Claims of any type or nature asserted on behalf of any of Contractor's subcontractors. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnities may have under the law. Payment is not required as a condition precedent to an Indemnitee’s right to recover under this indemnity provision. An Indemnitee shall have the right to select the attorneys to represent it in the event of a Claim and at Contractor’s expense. Contractor shall pay Indemnities for any attorneys’ fees, consultant and expert witness fees and costs incurred in enforcing this indemnification provision. This indemnity is effective without reference to the existence or applicability of any insurance coverages which may have been required under the Agreement or any additional insured endorsements, which may extend to Indemnites.
(b) Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against any Indemnitee with respect to those Claims as to which such Indemnitee is indemnified under Section 4.2(a) above, except for such Claims which are the result of such Indemnitee’s willful misconduct.

(c) In the event the City of Perris, California, its officers, agents or employees are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operations or activities of Contractor hereunder, Contractor agrees to pay to the City of Perris, California, officers, agents or employees, any and all costs and expenses incurred by the City of Perris, California, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.

4.3 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City’s Risk Manager or designee of the City due to unique circumstances. In the event the City’s Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 4 may be changed accordingly upon receipt of written notice from the City’s Risk Manager or designee; provided that the Contractor shall have the right to appeal a determination of increased coverage by the City’s Risk Manager to the City Council within ten (10) days of receipt of notice from the City’s Risk Manager.

4.4 Labor and Materials Bond.

Concurrently with the execution of this Agreement, Contractor shall deliver to City a labor and materials bond in a sum not less than one hundred percent of the total amount payable by the terms of the Agreement, in the form provided by the City Clerk, which secures payments to subcontractors and suppliers in the event of default by Contractor. The labor and materials bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The labor and materials bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor completely and faithfully pays all subcontractors and suppliers that have been approved in writing to perform in whole or in part the services required herein. If Contractor is the provider of architectural, engineering, and land surveying services pursuant to an existing contract with City for a public work, Contractor shall not be required to post or deliver a labor and materials bond.

4.5 Performance Bond.

Concurrently with execution of this Agreement, Contractor shall deliver to City a performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement, unless such requirement is waived by the Contract Officer. The bond shall contain the original notarized signature of an
authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

5.0 TERM

5.1 Time For Completion and Liquidated Damages.

The work for the Linear Park Lighting Project, (Specification No. #P-038), shall commence on the 27th day of August, 2018, and shall be completed within ninety (90) calendar days from and after said date. It is expressly agreed that, except for extensions of time duly granted in writing by the City Manager and for reasons authorized in this Agreement, time shall be of the essence, and contractor shall be held responsible for liquidated damages in a sum equal to one thousand and 00/100 dollars ($1,000.00) for each and every day after the permitted time if the work is not completed to the City’s satisfaction.

5.2 Force Majeure.

The time period(s) specified in this Agreement for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) calendar days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer’s determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor’s sole remedy being extension of the Agreement pursuant to this Section.

5.3 Termination for Default of Contractor.

If the Contract Officer determines that the Contractor is in default due to the Contractor’s failure to fulfill its obligations under this Agreement, City will give Contractor a written Notice of Default which will be served personally on the Contractor’s representative or sent via U.S. First Class Mail to the Contractor at the address set forth in Section 8.1. The Contractor shall continue performing its obligations hereunder so long as the Contractor commences to cure such default within ten (10) calendar days of service of such notice and completes the cure of such default within forty-five (45) calendar days after service of the notice, or such longer period as may be permitted by the City; provided that if the default is an immediate danger to the health, safety and general welfare, the City reserves the right to not notify the Contractor of the default and to take any and all action that may be necessary to cure the default.
If a Notice of Default is issued and the Contractor fails to cure the default within the time periods set forth in this Section, the City may take over the work and prosecute the same to completion by contract or otherwise. The City may use any portion or all of the Contract Sum to pay for said work. The Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages).

Contractor agrees that if the default is an immediate danger to the health, safety, and general welfare, the City may take immediate action to cure the default and the Contractor shall be liable for all costs and expenses associated with curing the default.

Compliance with the provisions of this Section shall only be a condition precedent to termination of this Agreement for cause. Such compliance shall not be a waiver of the City's right to take legal action in the event that the dispute is not cured. Further, compliance with this Section shall not be a waiver of the City's right to seek liquidated damages or other damages from the Contractor caused by the Contractor's failure to comply with any term of the Agreement.

5.4 Resolution of Contractor Construction Claims.

Public Contracts Code section 20104 et. seq. sets forth detailed procedures for resolving disputes of $375,000 or less. In the event that a dispute, valued at $375,000 or less, arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a claim therefore. Contractor and City shall comply with the detailed procedures stipulated in Public Contract Code Section 20104-20104.6, for resolving claims of $375,000 or less.

In the event of any dispute valued at more than $375,000 arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a detailed claim that sets forth the amount of damages, the basis and/or cause of the damages and all supporting documents which support the claim within ten (10) calendar days after the claim arose. Contractor agrees to submit any additional information or documents requested by the City so it can fully analyze the claim.

In the event of any dispute, the Contractor shall not be relieved of its obligations under this Agreement and shall continue performing its obligations hereunder unless the City agrees in writing to release the Contractor from its obligations under the Agreement. Compliance with the provisions of this Section shall be a condition precedent to any legal action.

6.0 CITY OFFICERS, EMPLOYEES, AND U.S. MEMBERS OF CONGRESS

6.1 Non-liability of City Officers and Employees

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.
6.2 Conflict of Interest

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

7.0 NON-DISCRIMINATION AND EQUAL OPPORTUNITY

7.1 Covenants Against Discrimination

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

Statement of Equal Opportunity Clause

(a) Contractor will not discriminate against any employee or applicant for employment because of race, color religion, sex, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the County setting forth the provisions of this non-discriminating clause.

(b) Contractor will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

8.0 MISCELLANEOUS PROVISIONS

8.1 Notice

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in
writing and either served personally or sent by prepaid, first-class mail addressed as follows:

City

City of Perris
Public Works Department, Engineering Administration Division
24 S. D Street, Suite 100
Perris, CA 92570
ATTN: Michael Morales, Capital Improvements Project Manager

Contractor

Ace Electric, Inc.
PO Box 601071
San Diego, CA 92160
ATTN: Jeffrey A. Hinds, President

8.2 Handicap Accessibility Certification.

Contractor certifies that with respect to the public facilities or parts thereof that are altered by the work in this contract, the altered portions of the facilities shall be construed to be readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, and meet the laws established by the Americans With Disabilities Act of 1990, Public Law 101-336, and applicable portions of Title 24 of the California Code of Regulations (Access Code).

8.3 Records Retention Clause Examination and Audit

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable accounting principals. Said books and records shall be made available to the City of Perris, the State Auditor of California, the Federal Government and to any authorized representatives thereof for purposes of audit at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least four (4) years after expiration of any agreement.

8.4 Payroll Records

Contractor shall comply with State Labor Code section 1776, and shall maintain and keep accurate payroll records of employees, and shall certify these records upon request by the City. Said payroll records shall be made available to the City, the State Division of Labor Standards Enforcement, and the State Division of Apprenticeship Standards. If the Contractor fails to comply with State Labor Code Section 1776, Contractor shall be held responsible for penalties as set forth in said section.
Contractor or Subcontractors shall be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. All Contractors and Subcontractors who perform work on this project must furnish electronic certified payroll reports directly to the Labor Commissioner (aka Division of Labor Standards Enforcement).

8.5  **Prevailing Wages**

Under the State Labor Code, Contractor shall not pay less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate per diem wages for holiday, overtime, health and welfare, pension, vacation and similar purposes to all workers employed on the work described in this Agreement. The City has obtained from the Director of the Department of Industrial Relations, State of California, the determination of general prevailing rates of per diem wages believed to be applicable to the work described in this Agreement, including employer payments for health and welfare, pension, vacation and similar purposes. Contractor shall obtain from the City Clerk said General Prevailing Wage Determination, and post it in a conspicuous place at the site of the work described in this Agreement (Lab. Code § 1773.2.). The statutory provisions for penalties for failure to pay prevailing wages (Lab. Code § 1775) and for penalties for failure to comply with state’s wage and hour laws shall be enforced. (Lab. Code § 1813.).

8.6  **Working Hours Restriction and Penalties For Non-Compliance**

Contractor agrees that eight (8) hours is a legal days work for all employees hired by the Contractor, and that any worker’s time of service is restricted to eight (8) hours during any calendar day, and forty (40) hours during any calendar week, unless overtime compensation is paid at not less than one and one half times the basic rate of pay. Contractor shall comply with said working hours restrictions and overtime compensation provisions, and shall pay a penalty of $50.00 (fifty and 00/100 dollars) for each and every day a worker is employed in violation of said working hours restrictions and overtime compensation provisions.

8.7  **Employment of Apprentices**

Contractor shall comply with State Labor Code § 1777.5, and shall maintain and keep accurate records of apprentices who are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency; and shall certify these records upon request by the City.

8.8  **Interpretation**

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.
8.9 Integration; Amendment

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.10 Severability

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.11 Corporate Authority

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[END – SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

CITY:
CITY OF PERRIS,
a municipal corporation

__________________________
Richard Belmudez, City Manager

ATTEST:

__________________________
Nancy Salazar, City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

__________________________
Eric L. Dunn, City Attorney

CONTRACTOR:
ACE ELECTRIC, INC.

By: _______________________

Signature

Print Name and Title

By: _______________________

Signature

Print Name and Title

(Corporations require two signatures; one from each of the following: A. Chairman of the Board, President, and Vice President; and B. Secretary, Assistant Secretary, Treasurer, or Chief Financial Officer.) [END OF SIGNATURES]
NOTICE TO ALL BIDDERS

Completion and submittal of all enclosed forms including, but not limited to sheets BF-9 & BF-10 is required and must be included with original bid. Failure to submit the required documents shall be deemed as an incomplete bid and shall not be considered by City as a valid bid.

BID FORM

Bid Date: July 17, 2018
Time: 5:00 p.m. (PST)
Place: Active Bidder http://www.cityofperris.org/city-hall/bids.html
Project: Linear Park Lighting Project (Specification No. #CIP P-038)

TO THE CITY OF PERRIS, hereinafter called the Agency, the undersigned, as Bidder, declares that he has carefully examined the location of the project, that he has examined the plans and specifications and addenda (if any), and has read the information for Bidders, and hereby proposes and agrees, if this bid is accepted, to furnish all materials to do all work required to complete the said plans and specifications in the time and manner herein prescribed for the Bid Price set forth in the Schedule of Bid Items.

Proposal of Ace Electric Inc., hereinafter called "Bidder", organized and existing under the laws of the State of California, doing business as Corporation. Insert "a corporation", "a partnership", "a joint venture", or "an individual", as applicable.

No separate payment will be made for any item that is not specifically set forth in the Schedule of Bid Items. All costs, therefore, shall be included in the prices named in the Schedule of Bid Items for the various appurtenant items of work. In case of discrepancy between words andfigures, words shall prevail.

By submission of this Bid, each Bidder certifies, and in the case of a joint Bid, each party thereto certifies, as to his own organization that this Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid with any other Bidder or with any competitor. Since time is of the essence, Bidder hereby agrees to commence work under this Contract on August 27, 2018 and to fully complete all work on or before the 90th calendar day after receiving the Notice to Proceed. Bidder agrees with the Agency that if the project is not fully completed within said time, he shall pay as liquidated damages the sum of $1,000.00 (one thousand dollars) for each calendar day thereafter until such completion and that this amount shall be presumed to be the amount of damages sustained by Agency in the event of such a breach by Bidder, as it would be impracticable or extremely difficult to fix the actual damage. The undersigned, as Bidder proposes and agrees, if the proposal is accepted, that he will execute a Contract with the Agency in the form set forth in the Contract Documents and that he will accept in full payment thereof the following prices, to wit:

BF-1
### Linear Park Lighting Project
(SPEC. NO. # CIP P-038)

Bidder (Company Name): Ace Electric, Inc.

#### Bid Schedule

<table>
<thead>
<tr>
<th>BID ITEM NO.</th>
<th>ESTIMATED QUANTITY AND UNIT</th>
<th>ITEM DESCRIPTION</th>
<th>UNIT PRICE (FIGURES)</th>
<th>TOTAL (FIGURES) (A x B=C)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.) BID SCHEDULE - CIVIL WORK:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>L.S.</td>
<td>Mobilization/Remobilization</td>
<td>$ 2,401.00</td>
<td>$ 2,401.00</td>
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<td>2.</td>
<td>L.S.</td>
<td>Excavation, Demolition, Earthwork, Clear and Grub</td>
<td>$ 4,367.00</td>
<td>$ 4,367.00</td>
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<tr>
<td>3.</td>
<td>L.S.</td>
<td>Protect in place, remove and replace, relocate, adjust to grade landscaped parkways, curb, gutter, sidewalk, ADA ramps, guard rails, trees, plants, turf and irrigation lines, underground utilities, storm drain, irrigation controllers, pumps, signage, fencing, MWD water supply line, electric metered pedestal, roadway delineators, street striping, road signage, park and trail signage, etc., not specifically defined elsewhere in bid, whether called out on plans or not.</td>
<td>$ 40,560.00</td>
<td>$ 40,560.00</td>
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<tr>
<td>4.</td>
<td>55 L.F.</td>
<td>Provide and Install A.C. over Base Local Street Repair, per City Standard Plan, or Contractor may provide Directional Boring acceptable to City</td>
<td>$ 163.91</td>
<td>$ 9,015.05</td>
</tr>
<tr>
<td>5.</td>
<td>3 E.A.</td>
<td>Provide and Install Custom Trail Signs and Telespar Sign System on Heavy Duty Beak-Away Pole and Base Per Plans and Specifications</td>
<td>$ 1,247.00</td>
<td>$ 3,741.00</td>
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#### 2.) BID SCHEDULE - ELECTRICAL/LIGHTING WORK:

<table>
<thead>
<tr>
<th>BID ITEM NO.</th>
<th>ESTIMATED QUANTITY AND UNIT</th>
<th>ITEM DESCRIPTION</th>
<th>UNIT PRICE (FIGURES)</th>
<th>TOTAL (FIGURES) (A x B=C)</th>
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<tr>
<td>6.</td>
<td>1 L.S.</td>
<td>Provide and install new dual meter pedestal as one assembly with utility service, breakers, lugs, meter jaws, clips, housekeeping pad and service grounding per Plans and Specifications - Sheet E1.01, E3.01 &amp; E4.02</td>
<td>$ 8,653.00</td>
<td>$ 8,653.00</td>
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</table>

BF-2A

Initials
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Provide and install new lighting control cabinet, as one lighting wireless control system, complete with service pack and maintenance plan per Plans and Specifications – Sheet E1.01, E3.01, E4.01, E4.03 &amp; E4.04</td>
<td>1 L.S.</td>
<td>/L.S</td>
<td>$28,768.00</td>
</tr>
<tr>
<td>8.</td>
<td>Provide and install 1&quot; conduit to pole lights and bollard lights per Plans and Specifications – Sheets E1.01, E2.01, E2.02, E2.03, E4.01 &amp; E4.04</td>
<td>4,280 L.F.</td>
<td>/L.F</td>
<td>$20,116.00</td>
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<tr>
<td>9.</td>
<td>Provide and install 4&quot; Schedule 40 PVC sleeves per Plans and Specifications – Sheet E1.01, E2.02, E3.01, Detail 10/E4.02, and E6.01</td>
<td>140 L.F.</td>
<td>/L.F</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>10.</td>
<td>Provide and install hand holes with traffic rated bolt-down cover, cover and ground rod reading per Plans and Specifications – Sheet E1.01 and Detail 2/E4.01</td>
<td>3 EA</td>
<td>/E.A</td>
<td>$3,075.00</td>
</tr>
<tr>
<td>11.</td>
<td>Provide and install ground rod and ground handholes per Plans and Specifications – Sheet E1.01, Detail 1/E4.01 and Detail 8/E4.02</td>
<td>2 EA</td>
<td>/E.A</td>
<td>$890.00</td>
</tr>
<tr>
<td>12.</td>
<td>Provide and install pedestrian pole light assembly per Plans and Specifications – Sheets E1.01, E2.01, E2.02, E2.03, E4.01, &amp; E4.04</td>
<td>32 EA</td>
<td>/E.A</td>
<td>$95,360.00</td>
</tr>
<tr>
<td>13.</td>
<td>Provide and install pedestrian pole light structural footing, engineering calculations, inspections and documentation per Plans and Specifications – Sheets E1.01, E2.01, E2.02, E2.03, E4.01, &amp; E4.04</td>
<td>32 EA</td>
<td>/E.A</td>
<td>$35,648.00</td>
</tr>
<tr>
<td>14.</td>
<td>Provide and install bollard light assembly per Plans and Specifications – Sheets E1.01, E2.01, E2.02, E2.03, E4.01, &amp; E4.04</td>
<td>16 EA</td>
<td>/E.A</td>
<td>$37,776.00</td>
</tr>
<tr>
<td>15.</td>
<td>Provide and install bollard light structural footing, engineering calculations, inspections and documentation per Plans and Specifications – Sheets E1.01, E2.01, E2.02, E2.03, E4.01, &amp; E4.04</td>
<td>16 EA</td>
<td>/E.A</td>
<td>$6,608.00</td>
</tr>
<tr>
<td>16.</td>
<td>Provide and install solar pole light assembly per Plans and Specifications – Sheets E1.01, E2.03, E4.01 &amp; E4.04</td>
<td>0 EA</td>
<td>/E.A</td>
<td>$0</td>
</tr>
</tbody>
</table>

BF-2B

Initials_________
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Provide and install solar pole light structural footing, engineering calculations, inspections and documentation per Plans and Specifications</td>
<td></td>
<td>0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>18</td>
<td>Trench (6&quot;W. x 24&quot;D.) for installation of underground conduits per Plans and Specifications</td>
<td>L.F.</td>
<td>2830</td>
<td>$17.00</td>
<td>$48,110.00</td>
</tr>
<tr>
<td>19</td>
<td>Provide and install #8 Cu wires per Plans and Specifications</td>
<td>L.F.</td>
<td>7898</td>
<td>$1.09</td>
<td>$8,608.82</td>
</tr>
<tr>
<td>20</td>
<td>Provide and install #10 Cu wires per Plans and Specifications</td>
<td>L.F.</td>
<td>4528</td>
<td>$0.88</td>
<td>$3,984.64</td>
</tr>
<tr>
<td>21</td>
<td>Provide and install #12 Cu wires per Plans and Specifications</td>
<td>L.F.</td>
<td>200</td>
<td>$1.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>22</td>
<td>Provide and install pole fuse kits per Plans and Specifications</td>
<td>E A.</td>
<td>32</td>
<td>$82.00</td>
<td>$2,624.00</td>
</tr>
<tr>
<td>23</td>
<td>Provide and install #6 Cu wires per Plans and Specifications</td>
<td>L.F.</td>
<td>50</td>
<td>$1.90</td>
<td>$95.00</td>
</tr>
<tr>
<td>24</td>
<td>Provide and install 2&quot; conduit for future use out of pedestal per Specifications</td>
<td>L.F.</td>
<td>30</td>
<td>$15.00</td>
<td>$450.00</td>
</tr>
<tr>
<td>25</td>
<td>Provide and install convenience receptacle in new lighting control cabinet complete with connection to service panel per Plans and Specifications</td>
<td>E A.</td>
<td>2</td>
<td>$127.00</td>
<td>$254.00</td>
</tr>
<tr>
<td>26</td>
<td>Provide and install wireless control node, on pole light fixture per Plans and Specifications</td>
<td>E A.</td>
<td>32</td>
<td>$473.00</td>
<td>$15,136.00</td>
</tr>
</tbody>
</table>
TOTAL ALL BASE-BID ITEMS (1 through 26): $379,940.51

(In Figures)

TOTAL ALL BASE-BID ITEMS (1 through 26): Three hundred seventy-nine thousand nine hundred forty and 51/100 dollars

(In Words)

Please note the following regarding bids:

A. Award, if made, will be based upon lowest total of all bid items. The City reserves the right to reject any or all bids received.
B. Bid shall include all sales tax, and all other taxes and fees.
C. Bid is for a project complete-in-place.
D. Quantities above are for the purpose of comparison only and payments will be made on the basis of actual measurement of work completed. Measurements which vary from estimated quantities shall require verification by City, and a written change order will be required prior to payment. For quantities indicated as lump sum, Contractor shall be paid at the Contract per lump sum price indicated, and shall include full compensation for all work and no additional compensation will be allowed thereof.
E. When discrepancies occur between words and figures, the words shall govern.
F. The work described in the bid sections above are provided for tracking of funding ratios only, and DO NOT imply that work is mutually exclusive to any certain bid section. For example, several civil bid items cover all sections of project work for landscaping, electrical, etc. (i.e. mobilization, clear and grub, traffic control, protect in place, etc.). The bid is for a project complete in place, and full compensation for completing all work described in the Bid Document, Contract Document, Plans and Specifications shall be considered to be included in other items of work and no additional compensation will be allowed.

BF-2D

Initials_________
The undersigned, as Bidder, proposes and agrees, if the proposal is accepted, that he will execute a Contract with the Agency in the form set forth in the Contract Documents and that he will accept in full payment thereof the preceding prices as set forth in Bid Schedules.

Quantities above are for the purpose of comparison only and payments will be made on the basis of actual measurement of work completed. Measurements which vary from estimated quantities, shall require verification by City, and a written change order will be required prior to payment. For quantities indicated as lump sum, Contractor shall be paid at the Contract per lump sum price indicated, and shall include full compensation for all work and no additional compensation will be allowed thereof. Where discrepancies occur between words and figures, the words shall govern. Upon receipt of the Notice of Award, Contractor shall submit to the Agency for approval, a detailed breakdown of the Contractor's cost estimate into the various elements of materials and construction operations. When approved, this breakdown will serve as a basis for the Agency to determine partial payments.

If awarded this contract, the Bidder agrees to execute the Contract and submit the Labor and Materials Payment Bond, Contract Performance Bond, and Insurance Certificates on the required forms within ten (10) calendar days from the date of the Notice of Award. The Notice of Award shall be accompanied by the necessary Contract, Bond, and Insurance Certificate forms. In case of failure of the Bidder to execute the Contract, the Agency may at his option consider the Bidder in default, in which case the Bid Bond, or any deposit in lieu thereof, accompanying the proposal shall become the property of the Agency. Forfeiture of the Bid Bond, or any deposit in lieu thereof, does not preclude the Agency from seeking all other remedies provided by law to recover losses sustained as a result of the Contractor's failure to execute a written agreement to perform the work at his Bid Price.

The Bidder's execution on the signature portion of this proposal shall also constitute an endorsement and execution of those certifications which are a part of this Proposal.

EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

The Bidder hereby certifies that he has participated in a previous contract or subcontract subject to the equal opportunity clause, as required by Executive Orders 10925, 11114, or 11246, and that, where required, he has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

NOTE: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b)(1)), and must be submitted by Bidders and proposed subcontractors only in connection with contracts and subcontracts which are subject to the equal opportunity clause. Contracts and
subcontracts which are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally only contracts or subcontracts of $10,000 or under are exempt).

Currently, Standard Form 100 (EEO-1) is the only report required by the Executive Orders or their implementing regulations.

Proposed prime contractors and subcontractors who have participated in a previous contract or subcontract, subject to the Executive Orders, and have not filed the required reports should note that 41 CFR 60-1.7 (b) (1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

Noncollusion Affidavit

(Title United States Code Section 112 and Public Contract Code Section 7106)

In accordance with Title 23 United States Code Section 112 and Public Contract Code 7106 the bidder declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid or true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Noncollusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Noncollusion Affidavit. Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.
DEBARMENT AND SUSPENSION CERTIFICATION
(Title 49, Code of Federal Regulations, Part 29)

The Bidder, under penalty of perjury, certifies that, except as noted below, he/she or any person associated therewith in the capacity of owner, partner, director, office manager:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past 3 years;
- Does not have a proposed debarment pending; and
- Has not be indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any manner involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

None

Exceptions will not necessarily result in denial of award, but will be considered in determining Bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Note: Providing false information may result in criminal prosecution or administrative sanctions.

The above certification is part of the Proposal. Signing this proposal on the signature portion thereof shall also constitute signature of this Certification.
NON LOBBYING CERTIFICATION FOR FEDERAL AID CONTRACTS

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, "Disclosure of Lobbying Activities", in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and U.S. Code. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such sub-recipients shall certify and disclose accordingly.
Person who inspected site of the proposed work as a representative of your firm:

Jeffrey Hinds  
Name (please print)  
2/23/2018  
Date of Inspection

Bidder acknowledges receipt of the following Addenda:

Dated 7/19/2018
Dated
Dated
Dated

NAME OF BIDDER: Ace Electric Inc.

NAME AND TITLE OF SIGNING PARTY: Jeffrey A. Hind, President

SIGNATURE OF BIDDER: [Signature]

[License Number]

Contractor's California License No.

(CORPORATE SEAL) Ace Electric Inc.  
Name of License Holder
Corporation

Type of License
313/19035

Expiration Date

Contact Information:

Company Name: Ace Electric Inc.

Contact Person: Jeffrey A. Hind

Title: President

Company Address: P.O. Box 601071  
San Diego, CA 92160

Phone Number: 619-521-9740  
Fax Number: 619-521-9742
BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, ACE ELECTRIC, INC., as Principal, and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA as Surety, are hereby held and firmly bound unto the CITY OF PERRIS as Agency in the penal sum of TEN PERCENT OF GREATER AMOUNT BID for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns. (Note: City of Perris requires bid bond to be at least equal to 10% of bid amount).

Signed, this 13TH day of JULY, 2018.

The Condition of the above obligation is such that whereas the Principal has submitted to the Agency a certain Bid, attached hereto and hereby made a part hereof, to enter into a contract in writing for the Linear Park Lighting Project (Specification No. #CIP P-038)

NOW, THEREFORE,

A. If said Bid shall be rejected, or

B. If said Bid shall be accepted and the Principal shall execute and deliver a contract in the Form of Contract attached hereto (properly completed in accordance with said Bid) and shall furnish Bonds for his faithful performance of said Contract and for the payment of all persons performing labor or furnishing materials in connection therewith, the required Insurance Certificates, and shall in all other respects perform the agreement created by the acceptance of said Bid, then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligation of said Surety and its Bond shall be in no way impaired or affected by any extension of the time within which the Agency may accept such Bid; and said Surety does hereby waive notice of any such extension.
IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Two Witnesses
(If Individual):

___________________________
___________________________

ATTEST (If Corporation):
By: _________________________
Title: ________________________

(Corporate Seal)

___________________________
___________________________

___________________________
___________________________

ATTEST: ______________________
By: _________________________
Title: ________________________

(Corporate Seal)

PRINCIPAL: ACE ELECTRIC, INC.

By: _________________________
Title: JEFFREY A. HINDS, PRESIDENT

SURETY: SURETY COMPANY OF AMERICA

By: _________________________
Title: MARK D. IATAROLA, ATTORNEY-IN-FACT

IMPORTANT: Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the Project is located.

THIS IS A REQUIRED FORM
Any claims under this bond may be addressed to:

(Name and Address of Surety)  TRAVELERS CASUALTY AND
SURETY COMPANY OF AMERICA

21688 GATEWAY CENTER DRIVE

DIAMOND BAR, CA 91765

(Name and Address of Agent or Representative for service of process in California, if different from above)

MALONEY AND ASSOCIATES

435 WEST GRAND AVENUE

ESCONDIDO, CA 92025

(Telephone Number of Surety and Agent or Representative for service of process in California)

(SURETY) 909/612-3647
(AGENT) 760/738-2610
California All-Purpose Certificate of Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

On 7/16/2018 before me, C. Powell, Notary Public,

personally appeared Jeffrey A. Hinds

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

C. Powell
Notary Public

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and replacement of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/or for the purpose of

containing _____ pages, and dated __________.

The signer(s) capacity or authority is/are as:

☐ Individual(s)
☐ Attorney in fact
☐ Corporate Officer(s)
☐ Guardian/Conservator
☐ Partner/Principal/Limited/General
☐ Trustee(s)
☐ Other

representing

Method of Signer Identification

Proved to me on the basis of satisfactory evidence
☐ form(s) of identification
☐ credible witness(es)

Notarial event is detailed in notary journal:
Page # Entry #

Notary contact:

Other

☐ Additional Signer☐ Signer(s) Thumbprints(s)

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of SAN DIEGO

On 7/13/2018 before me, HELEN E. WHEALDON, NOTARY PUBLIC

personally appeared MARK D. IATAROLA

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/she/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Completion of this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ____________________________

Document Date: ____________________________ Number of Pages: ____________________________

Signer(s) Other Than Named Above: ____________________________

Capacity(ies) Claimed by Signer(s)

Signer's Name: MARK D. IATAROLA

☐ Corporate Officer – Title(s): ____________________________
☐ Partner – Title(s): ____________________________
☐ Individual – Title(s): ____________________________
☐ Trustee – Title(s): ____________________________
☐ Other: ____________________________

Signer is Representing: ____________________________

Signer's Name: ____________________________

☐ Corporate Officer – Title(s): ____________________________
☐ Partner – Title(s): ____________________________
☐ Individual – Title(s): ____________________________
☐ Trustee – Title(s): ____________________________
☐ Other: ____________________________

Signer is Representing: ____________________________

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the “Companies”), and that the Companies do hereby make, constitute and appoint Mark D. Iatralola, of Escondido, California, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 3rd day of February 2017.

State of Connecticut

City of Hartford ss

By ____________________________
Robert L. Raney, Senior Vice President

On this the 3rd day of February, 2017, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he as such being authorized so to do executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2021

______________________________
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys in Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as its or her certificate of authority may prescribe to sign with the Company’s name and seal with the Company’s seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognize, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her, and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of the Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary, and it is

FURTHER RESOLVED, that any bond, recognize, contract of indemnity, or writing obligatory in the nature of a bond, recognize, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company’s seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 11th day of July, 2018

______________________________
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880. Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.
DESIGNATION OF SUBCONTRACTORS

In compliance with the provisions of section 2.3 of the Standard Specifications, the Bidder shall set forth below the name and location of the mill, shop or office of each Subcontractor and the portions of the work, which will be done by that Subcontractor.

In compliance with the provisions of Section 2-3.2 of said "Standard Specifications" Bidder understands and agrees that the Contract Work described in the Plans and Specifications No. # CIP P-038 for the Linear Park Lighting Project requires the Contractor to perform, with its own organization, Contract Work amounting to at least 50% of the Contract Price as provided in Section 2-3.2 Additional Responsibility of the current edition of the "Standard Specifications for Public Works Construction" prepared and promulgated by the Southern California Chapters of the American Public Works Association and Associated General Contractors of California ("Greenbook").

In compliance with the provisions of the Government Code, Section 4100-4108, the undersigned Bidder herewith sets forth the name and location of the place of business of each Subcontractor who will perform work or labor or render service to the Contractor on or about the construction site of the work or improvements in an amount in excess of one-half of one percent (½%) of the Contractor's total bid and the portion of the work which will be done by each Subcontractor as follows:

<table>
<thead>
<tr>
<th>Trade</th>
<th>% Of Work To Be Done</th>
<th>Name</th>
<th>License No.</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boring</td>
<td>Less than 1%</td>
<td>Cal Empire Eng.</td>
<td>1011503</td>
<td>628 E Edna Place, Covina CA 91723</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DIR #1000035725</td>
</tr>
</tbody>
</table>

* Identify any DBE subcontractors
LISTING OF MANUFACTURERS

The Contractor shall submit this sheet with his Bid to list the manufacturers of materials he intends to use. It shall be understood that where the Contractor elects not to use the material manufacturers called for in the Specifications, he will indicate the name of the Manufacturer he plans to substitute in the form below. Bidder further understands he will substitute only items of equal quality, durability, functional character and efficiency as determined by the City Of Perris. See Section 01631 of these Specifications for substitution procedures and requirements. The Contractor should ascertain prior to bidding the acceptability of substitutes. Only one manufacturer shall be listed for each item.

<table>
<thead>
<tr>
<th>Specified Item or Material</th>
<th>Name of Proposed Substitute Product Manufacturer or Name of Supplier</th>
<th>Indicate DBE(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical LED Pole and Fixture</td>
<td>Lumina RL Premium Series and United Lighting Standards Poles</td>
<td></td>
</tr>
<tr>
<td>Electrical LED Bollard</td>
<td>Wayne Tyler 294 Series</td>
<td></td>
</tr>
<tr>
<td>Solar Powered LED Pole and Fixture</td>
<td>Volt Energy 2000 Series</td>
<td></td>
</tr>
<tr>
<td>Photocell/Control Node</td>
<td>NEFA Twist Link 134 Series</td>
<td></td>
</tr>
<tr>
<td>Central Web-Based Lighting Control System</td>
<td>Site Manager System w/Netsun 30 Color LS1 Art Lab</td>
<td></td>
</tr>
<tr>
<td>Sign Pole Mounting Equipment</td>
<td>Textar Sign System</td>
<td></td>
</tr>
<tr>
<td>Dual Meter Pedestal</td>
<td>Myers MEU240 Series</td>
<td></td>
</tr>
</tbody>
</table>

No change shall be allowed of any material manufacturer listed after receipt of Bids unless the manufacturer so listed cannot furnish materials meeting the Specifications. Any manufacturer, which is not deemed to be equal-to or better in every significant respect to that required by the Contract Documents, shall be rejected at the sole discretion of the Agency. Should such change be allowed by the Agency, bidder shall provide materials meeting the specification, as determined by the Agency, and there shall be no increase in the amount of the Bid originally submitted.

* Identify if Supplier is a DBE.
ANTI-TRUST CLAIM

In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or Subcontractor offers and agrees to assign to the Agency all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the Public Works Contract or the Contract or the Subcontract. This assignment shall be made and become effective at the time the Agency tenders final payment to the Contractor, without further acknowledgment by the parties.

RESPECTFULLY SUBMITTED:

[Signature]

Title

Date

[Signature]

Please Print

Address

Address

Contractor’s California License No.

Name of License Holder

Explosion Date

THE REPRESENTATIONS MADE HEREIN ARE MADE UNDER PENALTY OF PERJURY.

[Signature]

Federal I.D. No.

(SEAL-if Bid is by a Corporation)

ATTEST

BF-11
CERTIFICATION - LABOR CODE SECTION 1861

I, the undersigned Contractor, am aware of the provisions of section 3700 et. seq. of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work of this Contract.

CONTRACTOR:

Firm Name

Signature

Print Name

Contractor's California License No.

Expiration Date

Federal I.D. No.

(SEAL-if Bid is by a Corporation)

ATTEST

BF-12
CERTIFICATION OF NON-DISCRIMINATION

On behalf of the Bidder making this proposal, the undersigned certifies that there will be no discrimination in employment with regard to ethnic group identification, color, religion, sex, age, physical or mental disability, or national origin; that all Federal, State, and local directives and executive orders regarding nondiscrimination in employment will be complied with; and that the principle of equal opportunity in employment will be demonstrated positively and aggressively.

DATED: 7/14/18

(Acc Electric Inc)

(Signature)

(Jeffrey A. Hix, President)

(type Name and Title)

835109
California
License No.

CIO, A
Type of License

Acc Electric Inc
Name of License Holder

3/31/2030
Expiration Date

75-3118990
Federal I.D. No.

(SEAL-if Bid is by a Corporation)

ATTEST

BF-13
EXPERIENCE STATEMENT

Bidder submits, as part of his bid, the following statements as to his experience qualifications. Bidder certifies that all statements and information set forth below are true and accurate. Bidder hereby authorizes the agency to make inquiry as appropriate regarding his experience.

Bidder has been engaged in the contracting business under his present business name for 15 years.

Bidder's experience in work of a nature similar in type and magnitude to that set forth in the Specification extends over a period of 23 years.

Bidder, as Contractor, has satisfactorily completed all Contracts awarded to him, except as follows:

(Name any/all exceptions and reasons and attach and designate additional pages if necessary.)

None

Within the last three years, Bidder has satisfactorily completed the following contracts covering work similar in type and magnitude to that set forth in these Specifications for the following owners (name person, firms, or authorities):

<table>
<thead>
<tr>
<th>Name &amp; Address of Owner/Agency</th>
<th>Representative and Telephone</th>
<th>Type of Work, Year Completed &amp; $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Attached!</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Bidder shall attach and properly designate additional pages, if necessary.)
PUBLIC WORKS CONTRACTOR REGISTRATION DOCUMENTATION

Pursuant to Section 1771.1 of the Labor Code, Bidder submits, as part of his bid, the following information verifying his and his listed subcontractors active registration with the Department of Industrial Relations and eligibility to perform public work pursuant to Section 1725.5 of the Labor Code. Bidder certifies that all statements and information set forth below are true and accurate. Bidder hereby authorizes the agency to make inquiry as appropriate regarding his and his subcontractors registration status.

<table>
<thead>
<tr>
<th>Name &amp; Address of Contractor and Subcontractor</th>
<th>Registration Number</th>
<th>Registration Date</th>
<th>Registration Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ace Electric Inc</td>
<td>100001519</td>
<td>5/3/2018</td>
<td>6/30/2019</td>
</tr>
<tr>
<td>8318 E 20th St San Diego CA 92116-0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Bidder to attach Public Works Contractor Web Search Extracts for him and his subcontractors).

BF-15
<table>
<thead>
<tr>
<th>MATERIAL</th>
<th>TEST REQUIRED</th>
<th>CALIFORNIA TEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permeable Material</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>Sand Equivalent</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>Durability Index</td>
<td>229</td>
</tr>
<tr>
<td>Imported Material</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td>(Shoulder Backing)</td>
<td>Sand Equivalent</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>Durability Index</td>
<td>229</td>
</tr>
<tr>
<td>Aggregate Subbase</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>Sand Equivalent</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>Resistance (R-Value)</td>
<td>301</td>
</tr>
<tr>
<td>Aggregate Base</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>Sand Equivalent</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>Resistance (R-Value)</td>
<td>301</td>
</tr>
<tr>
<td></td>
<td>Durability Index</td>
<td>229</td>
</tr>
<tr>
<td></td>
<td>Percentage of crushed particles</td>
<td>205</td>
</tr>
<tr>
<td>Screenings</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>Loss in Los Angeles Rattler</td>
<td>211</td>
</tr>
<tr>
<td></td>
<td>Crushed Particles</td>
<td>205</td>
</tr>
<tr>
<td></td>
<td>Film Striping</td>
<td>302</td>
</tr>
<tr>
<td></td>
<td>Cleanliness valve</td>
<td>227</td>
</tr>
<tr>
<td>Asphalt Concrete</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td>(Except Open Graded)</td>
<td>Specific Gravity</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>(coarse &amp; fine aggregate)</td>
<td>208</td>
</tr>
<tr>
<td></td>
<td>Percentage of crushed particles</td>
<td>205</td>
</tr>
<tr>
<td></td>
<td>Loss in Los Angeles Rattler</td>
<td>211</td>
</tr>
<tr>
<td></td>
<td>Sand Equivalent</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>Film Striping</td>
<td>302</td>
</tr>
<tr>
<td></td>
<td>Kc Factor (CKE)</td>
<td>303</td>
</tr>
<tr>
<td></td>
<td>Kf Factor (CKE)</td>
<td>303</td>
</tr>
<tr>
<td></td>
<td>Stabilometer</td>
<td>366</td>
</tr>
<tr>
<td></td>
<td>Swell</td>
<td>305</td>
</tr>
<tr>
<td></td>
<td>Moisture Vapor Susceptibility</td>
<td>307</td>
</tr>
<tr>
<td></td>
<td>Optimum Bitumen Content*</td>
<td>367</td>
</tr>
<tr>
<td>Open Graded AC, Asphalt Treated</td>
<td>Grading</td>
<td>202</td>
</tr>
<tr>
<td>Permeable Material, Asphalt Treated</td>
<td>Loss in Los Angeles Rattler</td>
<td>205</td>
</tr>
<tr>
<td>Permeable Base</td>
<td>Durability Index</td>
<td>229</td>
</tr>
<tr>
<td></td>
<td>Film Striping</td>
<td>310 or 362 or 379</td>
</tr>
</tbody>
</table>

**Soils Test**
- See Landscape Plans
- Agronomic Test
- Perculation Test

*(Not shown in Construction Manual, use CDE frequency.)

Note: Should any potential source sampling and testing be waived by reason of previous acceptance of material from the source, there will be no reduction in contract prices by reason of such waiver.

**See landscape Plans, if applicable, for information regarding these required tests**

FOREIGN MATERIALS – The requirements of the fifth paragraph in Section 6-1-08, "Foreign Materials," of the Standard Specifications shall not apply.
CITY COUNCIL
AGENDA SUBMITTAL
Meeting Date: July 31, 2018

SUBJECT: Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions for property on Mountain Avenue, APN 330-070-009

REQUESTED ACTION: That the City Council Approve the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions for property on Mountain Avenue, APN 330-070-009 with Southern California Railway Museum, dba Orange Empire Railway Museum

CONTACT: Michele Ogawa, Management Analyst

BACKGROUND/DISCUSSION:

On September 12, 2017, the Successor Agency approved the sale of property on Mountain Avenue, APN 330-070-009 ("Property") to the Southern California Railway Museum, dba Orange Empire Railway Museum ("OERM"). During the escrow period it was discovered that the Property was actually owned by the City, and had never been transferred to the Successor Agency.

The Surplus Land Act (Gov. Code §§ 54220-54232) ("Act") governs the disposition of land owned by the City that is determined to be no longer necessary for the City’s use. To comply with the Act, prior to disposing of the Property, the City sent written offers to sell or lease the Property to various local agencies described in Act. None of the contacted local agencies expressed any interest in purchasing or leasing the Property, and therefore the City may move forward with selling the Property to OERM. The proposed agreement will replace the prior agreement.

The terms of the Agreement between the City and OERM include the following:

- **Property**: 4.76 acre property also known as 3330-070-009;
- **Escrow**: Open within three (3) business days after the City’s receipt of the fully executed agreement. Escrow to close within 30 days unless extended by both parties;
- **Purchase Price**: Three hundred eighty-five thousand dollars and zero cents ($385,000), or $1.86/sf, of which a deposit of thirty-eight thousand five hundred dollars ($38,500) has been made into Escrow.

BUDGET (or FISCAL) IMPACT: City will receive proceeds of the sale.
PREPARED BY: Clara Miramontes, Assistant City Manager

City Attorney: Eric Dunn
Assistant City Manager: Darren Madkin
Director of Finance: Jennifer Erwin

Attachments: Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions for Mountain Avenue, APN 330-070-009

Consent Agenda: July 31, 2018
AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS
[MOUNTAIN AVENUE - APN 0330-070-009]

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND
JOINT ESCROW INSTRUCTIONS ("Agreement") is made this 31st day of July, 2018
("Effective Date") by and between the CITY OF PERRIS, a municipal corporation ("Seller"),
and SOUTHERN CALIFORNIA RAILWAY MUSEUM, INC., a California corporation, dba
ORANGE EMPIRE RAILWAY MUSEUM ("Buyer"), collectively the “Parties.”

RECITALS:

Seller is the owner of approximately 4.96 acres of unimproved real property located on
Mountain Avenue adjacent to the railroad right-of-way in the City of Perris, County of Riverside,
State of California, referred to as Assessor’s Parcel Number ("APN") 0330-070-009 and which is
legally described on Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated
herein by this reference ("Property").

Seller desires to sell and Buyer desires to purchase the Property (further defined below)
pursuant to the terms and conditions of this Agreement.

DEFINITIONS:

“Business Days” - shall mean calendar days excluding weekends and holidays.

“Buyer” - shall mean Southern California Railway Museum, Inc., dba Orange Empire
Railway Museum.

“Calendar Days” - shall mean consecutive calendar days excluding recognized federal
and state holidays.

“City” - shall mean the City of Perris, a municipal corporation formed and existing under
the laws of the State of California. The term City also includes any assignee of, or successor to,
its rights, powers, and responsibilities.

“Closing” - shall mean the exchange of money and documents, and shall be deemed to
have occurred when all conditions to closing have been satisfied or waived, Seller's Deed to
Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining
documents described in the Agreement, the Title Company is irrevocably and unconditionally
committed to issue the Title Policy, and Buyer has delivered the Purchase Price in immediately
available funds to Escrow Holder.

“Escrow Holder” - shall mean Menifee Valley Escrow, Inc.
"Property" - shall mean that certain Seller-owned real property, referred to as Assessor’s Parcel Number ("APN") 0330-070-009, and consisting of approximately 4.96 acres, and more particularly described in Exhibit “A” of this Agreement.

"Seller" - shall mean the City of Perris.

"Title Company" - shall mean Stewart Title of California, Inc.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

TERMS AND CONDITIONS

1. **PURCHASE AND SALE OF PROPERTY.**

   For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to and on the terms and conditions herein set forth, Buyer hereby agrees to purchase from Seller, and Seller agrees to sell, assign and convey to Buyer the Property herein described, together with:

   (a) All privileges, rights, easements, appurtenances belonging to the Property excepting any dedications, easements or other rights-of-way reserved to or required by Seller or other entity as set forth in the Deed and/or approved title exceptions;

   (b) All development rights and air rights relating to the Property; and

   (c) All minerals, oil, gas, and other hydrocarbon substances on and under the Property subject to any exceptions set forth on the Deed or recorded against Property; all right, title and interest of Seller in and to any streets, alleys, passages, water and sewer taps, sanitary or storm drain capacity or reservations and rights under utility agreements subject to Section 1(a) above, and other easements and rights-of-way including in, adjacent to or used in connection with the beneficial use and enjoyment of the Property.

   Seller shall sell, assign, and convey to Buyer the Property in its condition, AS-IS, WHERE IS, at the Close of Escrow. Should a conflict arise between this Agreement and the Grant Deed, the provision or term most restrictive and beneficial to Seller shall prevail.

2. **OPENING OF ESCROW.**

   Within three (3) business days after Seller’s receipt of a copy of the fully executed (by both Buyer and Seller) Agreement, the parties shall open an escrow ("Escrow") with the Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date the executed Agreement is delivered to Escrow Holder ("Opening of Escrow"). The Escrow Holder shall be Menifee Valley Escrow, Inc., 28005 Bradley Road, Suite B, Menifee, CA 92586. The Escrow Officer shall be Laurie Buchanan who can be contacted at 951-679-2343.

3. **PAYMENT OF PURCHASE PRICE.**
3.1 **Deposit.**

Upon execution of this Agreement, Buyer shall make a deposit of Thirty-eight Thousand Five Hundred Dollars ($38,500) ("Deposit") into Escrow within five (5) business days of the Effective Date. Should Buyer terminate this Agreement for any reason during the Due Diligence Period, Buyer shall be entitled to a refund of the Deposit, less reasonable Escrow fees. However, upon completion of the Due Diligence Period, the Deposit shall become non-refundable such that should Escrow terminate as the result of any Buyer default, the Deposit shall be paid to Seller as liquidated damages or compensation, as the case may be, under this Agreement and such payment to Seller shall be the sole and exclusive remedy of or compensation to Seller, as the case may be, as a result of the Buyer's default under or termination of this Agreement. Should Seller default in performance of this Agreement, Buyer shall be entitled to a refund of the Deposit, and Seller shall be responsible for any Escrow fees. Should Escrow close, the Deposit shall be applied towards the Purchase Price.

3.2 **Amount of Purchase Price.**

The purchase price for the Property shall be Three Hundred Eighty-five Thousand Dollars and Zero Cents ($385,000) ("Purchase Price").

3.3 **Payment of Purchase Price.**

On the day preceding Close of Escrow, Buyer shall deposit the balance of the Purchase Price with Escrow Holder in "good funds." "Good funds" shall mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash. Escrow Holder shall disburse the cash amount of the Purchase Price to Seller after recordation of the grant deed transferring title to the Property. The total compensation to be paid by Buyer to Seller is all-inclusive of Seller's interest in the Property.

4. **ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.**

4.1 **Buyer.**

Buyer agrees that on or before 12:00 noon on the date preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement.

4.2 **Seller.**

Seller agrees that on or before 12:00 noon on the business day preceding the Closing Date, Seller will deposit with Escrow Holder an executed and recordable grant deed ("Grant Deed"), substantially in the form as provided in Exhibit "C", conveying the Property to Buyer, together with such funds and other items and instruments as may be necessary in order for the Escrow Holder to comply with this Agreement. Escrow Holder will cause the Grant Deed to be recorded when (but in no event after the date specified in Section 5.1 below) it can issue the Title Policy in the form described in Article 6 below, and holds for the account of Seller the items
described above to be delivered to Seller through Escrow, less costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof.

5. **CLOSING DATE, TIME OF ESSENCE.**

5.1 **Closing Date.**

The Parties desire that the Escrow close no later than thirty (30) days following the Opening of Escrow unless otherwise extended by mutual written agreement. The terms "Close of Escrow" and/or "Closing" and/or "Closing Date" are used herein to mean the time that Seller's Grant Deed is filed for recording by the Escrow Holder in the Office of the County Recorder of San Bernardino County, California.

5.2 **Possession.**

Possession and occupancy shall be delivered to Buyer at 5:00 p.m. on the Closing Date.

5.3 **Time of Essence.**

Buyer and Seller specifically understand that time is of the essence and Buyer and Seller each specifically agrees to strictly comply and perform its obligations herein in the time and manner specified and waives any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

6. **TITLE POLICY.**

6.1 **Approval of Title.**

Promptly following execution of this Agreement, but in no event later than ten (10) calendar days following Opening of Escrow, Seller shall furnish Buyer with a Preliminary Title Report ("PTR") issued through the Title Company, describing the state of title of the Property, together with copies of all exceptions specified therein and a map plotting all easements specified therein. The Title Company shall be Stewart Title of California, Inc., 11870 Pierce Street, Suite 100, Riverside, CA 92505. The Title Officer shall be Kaz Bernath, who may be contacted at 951-276-2700, and/or other appropriate personnel of the Title Company authorized and qualified to provide title services. Buyer shall notify Seller in writing ("Buyer's Title Notice") of Buyer's approval of all matters contained in the PTR or of any objections Buyer may have to title exceptions or other matters ("Disapproved Exceptions") contained in the PTR within ten (10) calendar days of receiving the PTR. If Buyer fails to deliver Buyer's Title Notice within said period, Buyer shall be conclusively deemed to have approved the PTR and all matters shown therein.

(a) In the event Buyer delivers Buyer's Title Notice rejecting certain title matters contained in the PTR, Seller shall have a period of ten (10) calendar days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("Seller's Notice"), provided, however, if the exception was caused by Seller or can be removed by Seller at no or minimal cost, Seller shall remove the Exception.
Seller's failure to deliver Seller's Notice within said ten (10) calendar day period shall be deemed Seller's election to decline to remove the Disapproved Exceptions. If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, if Seller is deemed to have elected to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) calendar days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines or is deemed to have declined to remove such Disapproved Exception(s).

(b) Upon the issuance of any amendment or supplement to the PTR which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) calendar days following receipt of notice of such additional exceptions. Notwithstanding the foregoing, Buyer’s Title Notice and Review period shall automatically terminate three (3) business days prior to Close of Escrow and Buyer’s failure to tender Buyer’s Title Notice to Seller shall be deemed Buyer’s automatic and conclusive approval of the PTR.

6.2 Title Policy.

At the Close of Escrow, the Escrow Holder shall furnish Buyer with an American Land Title Association (“ALTA”) Owner’s Policy of Title Insurance (“Title Policy”) for the Buyer's interest, wherein the Title Company shall insure that title to the Property shall be vested in Buyer, containing no exception to such title which has not been approved or waived by Buyer in accordance with this Section. The Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer has reasonably requested. Seller shall pay the cost that would be required for a California Land Title Association Title Policy. Buyer shall pay the additional cost for the ALTA Title Policy and survey. The premiums for any extended title coverage or endorsements requested by Buyer shall be borne solely by Buyer.

7. DUE DILIGENCE.

7.1 Review of Documents.

Within ten (10) calendar days of Opening of Escrow, Seller shall make available to Buyer true, correct and complete copies of all contracts which relate to the Property (together with any amendments or modifications thereto); the PTR including underlying documents; all reports or other documents in Seller’s possession respecting the physical condition of or prior uses of the Property, if any, including, but not limited to, building plans, site plans, ALTA survey, soils and geotechnical studies, and structural studies; and any other information in Seller’s possession or control reasonably requested by Buyer regarding the Property. Seller’s failure to provide Buyer with a complete copy of each document required to be delivered to Buyer pursuant to this Section shall automatically toll the Due Diligence Period (described below) one day for each day that Seller fails to satisfy its obligations set forth in this Section. Seller’s failure to provide the documents referenced herein to Buyer within the Due Diligence Period shall vest with Buyer the
option to terminate this Agreement as set forth in Section 10.5 and thus be entitled to a full refund of the Deposit.

7.2 Scope of Due Diligence.

Buyer, until the date that is sixty (60) days after Effective Date ("Due Diligence Period"), shall have the right to make an analysis of the Property including such engineering, feasibility studies, soils tests, environmental studies, surveys and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property. Buyer shall further have the right to make an examination of all permits, approvals and governmental regulations which affect the Property, including zoning and land use issues and conditions imposed upon the Property by governmental agencies.

7.3 Entry for Investigation.

(a) Subject to the conditions hereafter stated, Seller grants to Buyer, its agents and employees a limited license to enter upon any portion of the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense.

(b) As a condition to Buyer's entry, inspection or testing, Buyer shall keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement.

(c) Buyer shall obtain or cause its consultants to obtain, at Buyer's sole cost and expense prior to commencement of any investigative activities on the Property, a policy of commercial general liability insurance covering any and all liability of Buyer and Seller with respect to or arising out of any investigative activities. Such insurance policy shall name Seller, its successors and assigns as an additional insured.

7.4 Approval of Due Diligence Matters.

Buyer shall notify Seller in writing ("Buyer's Due Diligence Notice") on or before expiration of the Due Diligence Period of Buyer's approval or disapproval of the condition of the Property and Buyer's investigations with respect thereto (excluding title matters which are to be approved or disapproved pursuant to Section 6.1 above), which approval may be withheld in Buyer's sole and absolute discretion. Buyer's failure to deliver Buyer's Due Diligence Notice on or before expiration of the Due Diligence Period shall be conclusively deemed Buyer's approval thereof. Buyer's written disapproval of said matters shall vest in the Buyer, in its sole and absolute discretion, the option of terminating this Agreement as set forth in Section 10.5 of this Agreement.

7.5 Condition and Delivery of Premises.
Upon Close of Escrow and completion of Buyer’s Due Diligence, the Property will be purchased and delivered in an AS-IS, WHERE IS condition.

8. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

8.1 **Condition to Buyer’s Obligations.**

The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent:

(a) Title Company will issue the ALTA Title Policy as required by Section 6 of this Agreement insuring title to the Property vested in Buyer.

(b) Buyer has approved in writing the condition to title of the Property on or before the date provided in Section 6.1 above.

(c) Buyer has approved in writing all Due Diligence matters on or before the expiration of the Due Diligence Period.

(d) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.

(e) Seller has deposited an executed and recordable Grant Deed into Escrow.

8.2 **Condition to Seller’s Obligations.**

The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following condition precedent:

(e) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

8.3 **Termination for Failure of a Condition.**

If Buyer's closing conditions or Seller's closing conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the party in whose favor the closing conditions run by written notice to the other. If this Agreement is so terminated, the parties shall have no further obligation or liability under this Agreement, except as provided that Escrow Holder must return all amounts deposited by Buyer into Escrow, to Buyer. Any cancellation fee or other costs of the Escrow Holder and Title Company shall be borne equally by Buyer and Seller and each party shall pay its own expenses.

9. **REPRESENTATIONS AND WARRANTIES.**

9.1 **Representations and Warranties - Buyer.**

(a) Buyer hereby warrants and represents that, as of the Effective Date, this Agreement and the performance of Buyer's obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing are, or on the Closing Date shall be,
duly authorized, executed, and delivered by Buyer and are, or at the Closing Date shall be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date shall not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Buyer to enter into or to perform Buyer's obligations under this Agreement, except as has already been obtained.

(b) Until the Closing, Buyer shall not do anything which would impair Seller's title to any of the Property.

9.2 **Effect of Representations and Warranties.**

Each representation and warranty in this Article 9: (a) is material and being relied on by the party to which the representation and warranty is made; (b) is true in all respects as of the Effective Date; (c) shall be true in all respects on the Closing Date; and (d) shall survive the Closing, except as otherwise provided in this Agreement.

10. **ESCROW PROVISIONS.**

10.1 **Escrow Instructions.**

This Agreement, when signed by Buyer and Seller, shall also constitute Escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail.

10.2 **General Escrow Provisions.**

Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Riverside County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 14.4 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Riverside County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be made by Escrow Holder's check. This Agreement and any modifications, amendments, or supplements thereto may be executed in counterparts and shall be valid and binding as if all of the parties' signatures were on one document.

10.3 **Proration of Real Property Taxes.**

All non-delinquent general and special real property taxes shall be pro-rated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

10.4 **Payment of Costs.**

Seller shall pay documentary transfer fees and taxes, the premium charges for the CLTA Title Policy, the cost for preparation of a Natural Hazard Zone Disclosure ("NHD") report, the cost to record the Grant Deed, if any, and one-half of the Escrow fees. Buyer shall pay one-half
of the Escrow fees and any non-standard coverage, including ALTA premiums or endorsements, requested by Buyer. If Buyer may in its sole discretion desire extended coverage under the Title Policy, Buyer shall pay the additional premiums for such coverage. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

10.5 **Termination and Cancellation of Escrow.**

Time is of the essence in this Agreement. If Escrow fails to close as provided above, Escrow shall terminate automatically without further action by Escrow Holder or any party, and Escrow Holder is instructed to return all funds, plus accrued interest, and documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

10.6 **Information Report.**

Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("Information Report") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and Escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e). The parties further agree that neither Buyer nor Seller shall seek to hold the other party liable for the disclosure to the Internal Revenue Service of any such information.

11. **BROKERAGE COMMISSIONS.**

Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

12. **RISK OF PHYSICAL LOSS.**

Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty, Buyer shall have the option to terminate this Agreement, provided notice of such termination is delivered to Seller within thirty (30) days following the date Buyer learns of the occurrence of such casualty or Close of Escrow, whichever occurs sooner. If Buyer
fails to terminate this Agreement pursuant to the foregoing sentence within said period, Buyer shall complete the acquisition of the Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage. Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

13. DEFAULT.

13.1 Buyer's Default.

Buyer shall be deemed to be in Default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Buyer) by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that no such Default shall be deemed to have occurred unless and until Seller has given Buyer written notice of the Default, and Buyer has failed to cure such Default within five (5) days after the receipt of such notice (but in any event before the Closing Date, unless such Default occurs after Closing).

13.2 Seller's Default.

Seller shall be deemed to be in Default under this Agreement if Seller fails, for any reason other than Buyer's Default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Seller) because of Seller's actual fraud or intentional misrepresentation; provided, however, that no such Default shall be deemed to have occurred unless and until Buyer has given Seller written notice of the Default, and Seller has failed to cure such Default within five (5) days after receipt of such notice (but in any event before the Closing Date, unless such Default occurs after Closing).

14. MISCELLANEOUS.

14.1 No Conflict of Interest.

No officer or employee of the Seller shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Buyer warrants that it has not paid or given and will not pay or give any third party, any money or other consideration for obtaining this Agreement.
14.2 Assignment.

Buyer shall not have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the Seller at Seller's absolute and sole discretion. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns. Buyer will provide written notice to Seller and Escrow Holder of any assignment and/or vesting designation as may be required so as to not delay Close of Escrow.

14.3 Attorneys' Fees.

In any action between the parties hereto seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

14.4 Notices.

Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by personal delivery, facsimile or by mailing the same by U.S. mail to the party to whom the notice is directed at the address of such party hereinafter set forth, or such other address and to such other persons as the parties may hereinafter designate:

To Seller: City of Perris
101 North D Street
Perris, CA 92570
Attn: City Manager

To Buyer: Southern California Railway Museum
2201 South A Street
Perris, CA 92570-9318
Attn: Chief Executive Officer

Copy To: Aleshire & Wynder, LLP
3880 Lemon Street, Suite 520
Riverside, California 92501
Attn: Eric L. Dunn, Esq.

14.5 Interpretation; Governing Law.

This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for
convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

14.6 **No Waiver.**

No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

14.7 **Modifications.**

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

14.8 **Severability.**

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.9 **Merger of Prior Agreements and Understandings.**

This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

14.10 **No Withholding Because Non-Foreign Seller.**

Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow (i) a non-foreign affidavit on Escrow Holder’s standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and (ii) a California Form 590-RE.

14.11 **Time.**

Time is of the essence in the performance of the Parties’ respective obligations under this Agreement.
14.12 **Non-Liability of Officials or Employees.**

No officer, official or employee of either party shall be personally liable to the other, or any successor in interest of such other party, in the event of any default or breach or for any amount which may become due hereunder, or on any obligations under the terms of this Agreement.

14.13 **Continuing Cooperation.**

Each party shall execute and deliver such other reasonable documents requested by the other party or by Escrow Holder to consummate the transactions described herein.

14.14 **Execution in Counterparts.**

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

"SELLER"

CITY OF PERRIS

By: Richard Belmudez
Its: City Manager

ATTEST:

__________________________
Nancy Salazar, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

__________________________
Eric L. Dunn
City Attorney

"BUYER"

SOUTHERN CALIFORNIA RAILWAY MUSEUM, INC., a California corporation

__________________________
By: Barry Busch
Its: President/CEO
EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THAT PORTION OF THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 6, TOWNSHIP 5 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SECTION 6;

THENCE NORTH 89°43'21" EAST ALONG THE NORTH LINE OF SAID NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER, A DISTANCE OF 17.50 TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89°43'21" EAST, A DISTANCE OF 20.22 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, RADIAL TO SAID LINE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 49.00 FEET, SAID POINT BEING THE MOST WESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO THE CITY OF PERRIS BY DEED RECORDED MARCH 18, 1988 AS INSTRUMENT NO. 72085, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTHERLY, SOUTHEASTERLY AND EASTERLY ALONG THE BOUNDARY LINE OF SAID PARCEL SO CONVEYED AND ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 103°38'40", AN ARC DISTANCE OF 88.64 FEET;

THENCE NORTH 76°04'40" EAST ALONG SAID BOUNDARY LINE, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.00 FEET;

THENCE EASTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 13°38'40", AN ARC DISTANCE OF 23.81 FEET;

THENCE NORTH 89°43'21" EAST ALONG SAID BOUNDARY LINE, A DISTANCE OF 159.04 FEET;

THENCE SOUTH 00°35'37" WEST, A DISTANCE OF 630.25 FEET TO THE SOUTH LINE OF SAID NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 6;

THENCE SOUTH 89°44'12" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 330.00 FEET;

THENCE NORTH 00°35'37" EAST, A DISTANCE OF 550.29 FEET;

THENCE NORTH 09°23'05" EAST, A DISTANCE OF 114.48 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 4.76 ACRES, MORE OR LESS.
EXHIBIT "B"

MAP OF THE PROPERTY

[SEE NEXT PAGE]
EXHIBIT "C"

GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF PERRIS
Attn: City Manager
101 N. D. Street
Perris, California 92570

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code § 6103)

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, CITY OF PERRIS, a municipal corporation ("Grantor"), hereby grants to SOUTHERN CALIFORNIA RAILWAY MUSEUM, INC., a California corporation dba ORANGE EMPIRE RAILWAY MUSEUM ("Grantee"), the real property hereinafter referred to as the "Property," in the City of Perris, County of Riverside, State of California, as more particularly described in Attachment "I" attached hereto and incorporated herein by this reference, and subject to the restrictions contained herein.

As conditions of this conveyance, the Grantee covenants by and for itself and any successors in interest for the benefit of the Grantor, as follows:

1. **Governing Documents.** The Property is conveyed pursuant to that certain Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions ("Agreement") entered into by Grantor and Grantee dated [date], 2018. Grantee covenants and agrees for itself and its successors and assigns to use, operate and maintain the Property in accordance with the Agreement and this Deed. In the event of any conflict between this Deed and the Agreement, the provisions of the Agreement shall control.

2. **Mortgage Protection.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

3. **Covenants to Run With the Land.** The covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in
forfeiture of title, and shall be binding upon Grantee, its heirs, successors and assigns to the Property, whether their interest shall be fee, easement, leasehold, beneficial or otherwise.

4. **Counterparts.** This Grant Deed may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its officers or agents hereunto as of the date written below.

"GRANTOR":
CITY OF PERRIS, a municipal corporation

Date: __________________________

By: Richard Belmudez
Its: City Manager
ATTACHMENT "I"

LEGAL DESCRIPTION OF THE PROPERTY

THAT PORTION OF THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 6, TOWNSHIP 5 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SECTION 6;

THENCE NORTH 89°43'21" EAST ALONG THE NORTH LINE OF SAID NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER, A DISTANCE OF 17.50 TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89°43'21" EAST, A DISTANCE OF 20.22 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, RADIAL TO SAID LINE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 49.00 FEET, SAID POINT BEING THE MOST WESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO THE CITY OF PERRIS BY DEED RECORDED MARCH 18, 1988 AS INSTRUMENT NO. 72085, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTHERLY, SOUTHEASTERLY AND EASTERLY ALONG THE BOUNDARY LINE OF SAID PARCEL SO CONVEYED AND ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 103°38'40", AN ARC DISTANCE OF 88.64 FEET;

THENCE NORTH 76°04'40" EAST ALONG SAID BOUNDARY LINE, A DISTANCE OF 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.00 FEET;

THENCE EASTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 13°38'40", AN ARC DISTANCE OF 23.81 FEET;

THENCE NORTH 89°43'21" EAST ALONG SAID BOUNDARY LINE, A DISTANCE OF 159.04 FEET;

THENCE SOUTH 00°35'37" WEST, A DISTANCE OF 630.25 FEET TO THE SOUTH LINE OF SAID NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 6;

THENCE SOUTH 89°44'12" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 330.00 FEET;

THENCE NORTH 00°35'37" EAST, A DISTANCE OF 550.29 FEET;

THENCE NORTH 09°23'05" EAST, A DISTANCE OF 114.48 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 4.76 ACRES, MORE OR LESS.
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: Approve Memorandum of Understanding with Perris Enterprises LLC, the developer of part of the property within CFD No. 2006-3 (Alder) related to prepayment of special taxes

REQUESTED ACTION: That the City Council adopt Resolution No. (next in order) approving a Memorandum of Understanding with Perris Enterprises LLC

CONTACT: Jennifer Erwin, Finance Director

BACKGROUND/DISCUSSION:

In 2006, the City formed CFD 2006-3 (Alder) and authorized special tax proceedings within the CFD. The tax formula was changed in or about 2007/8. The developers of the property (YH Willson and YH De Lines) started the development and built 22 units. The CFD has been collecting taxes on these properties for 10 years but bonds have not been issues. The current property owner (Perris Enterprises, LLC) is interested in selling the property but wants some certainty as to how the property will be levied in the future. The memorandum of understanding reflects how the city is proposing to levy on the property in the future once bonds are issued in a way that takes into account the current owners have been paying for 10 years. The memorandum of understanding would show that the current property owners (and/or purchaser of the property) could prepay special taxes to lower the taxes on the property that has been paying for 10 years (via the funds already collected in the CFD) and these property owners would have lower taxes in the future than the new property owners because of the prepayment. For example-the prepayment may decrease the tax rate by 36% in the first year of implementation, although the tax rate will increase as provided in the tax formula.

BUDGET (or FISCAL) IMPACT:

No fiscal impact. All costs of the MOU will be paid from special taxes levied within the CFD or from moneys from the developer.

Reviewed by:
City Attorney ___x___
Assistant City Manager ___x___
Finance Director ___x___
Attachments: Resolution No. (next in order) approving the Memorandum of Understanding and the Memorandum of Understanding
Consent: √
Public Hearing:
Business Item:
Other:
RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, FOR ITSELF AND AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS APPROVING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH PERRIS ENTERPRISES, LLC RELATED TO THE PREPAYMENT AND LEVY OF TAXES

WHEREAS, the City Council (the "Council") of the City of Perris, California (the "City"), has previously formed and undertaken change proceedings ("Proceedings") in connection with Community Facilities District No. 2006-3 (Alder) of the City of Perris (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California and is the legislative body of the District; and

WHEREAS, pursuant to the Proceedings, including elections held in connection with the Proceedings on June 12, 2007, the District is authorized to levy a special tax within the District and to issue bonds secured by said taxes in order to fund public improvements and fees; and

WHEREAS, in connection with the Proceedings, YH De Lines LLC, a California limited liability company, and YH Wilson LLC, a California limited liability company, the former developers and property owners (collectively "Prior Owner") of all of the property in the District entered into agreements with the City, and certain other public entities regarding the funding of fees and improvements from the proceeds of bonds to be issued by the District (the "Bonds"); and

WHEREAS, the Prior Owner developed 22 units on the property in the District but due to the 2008 financial crisis and other reasons, the remaining property was not developed; and

WHEREAS, Perris Enterprises, LLC (the "Owner") is a subsequent owner of the property in the District by virtue of assignment from Bank of America’s holding entity: Quality Properties Asset Management Company; and

WHEREAS, Owner has requested that the District enter into a memorandum of understanding to memorialize the terms on which special taxes will be levied within the District due to the fact that certain property owners have been paying taxes ("Current Unit Owners") over the prior period of 10 years since Fiscal Year 2007-08; and

WHEREAS, the Owner has elected to prepay the special taxes of the Current Unit Owners in the amount of the taxes said Current Unit Owners have paid since Fiscal Year 2007-08 as permitted under the special tax formula; and
RESOLUTION NO. ________

WHEREAS, the District desires to support the prepayment of the Current Unit Owner's taxes to provide fairness to current owners who have paid taxes for ten years relative to the future owners; and

WHEREAS, this memorandum will memorialize the agreement related to the prepayment and the special taxes to be paid for the Current Unit Owners in the future in order to allow the Owner to sell the property to a developer and provide for development of the property; and

WHEREAS, the City, and the Owner desire to enter into this MOU in order to memorialize the agreement with respect to future taxes to facilitate the negotiation of any agreements and reimbursements with respect to bonds with the Owner or an initial transferee of the property ("Transferee") and to set forth the basic understanding of the parties with respect to the prepaid special taxes.

WHEREAS, the City has determined that it is necessary and desirable to enter into the MOU;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Perris, California, as follows:

Section 1. That the recitals set forth hereinabove are true and correct in all respects.

Section 2. That said form of MOU presented at this meeting and on file with the City Clerk be and is hereby approved, with such changes as may be approved by the City Manager or Finance Director, said officer's execution thereof to evidence approval of the changes. The Mayor, City Manager or Finance Director is hereby authorized and directed to execute the MOU on behalf of the City with such execution to be attested to by the City Clerk.

ADOPTED, SIGNED AND APPROVED THIS __ ST DAY OF __, 2018.

______________________________
Mayor

______________________________
City Clerk

01006/0045490352v1
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  §
CITY OF PERRIS  

I, _____, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the ___ day of ___, 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
City Clerk
MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT (this "MOU") dated as of May __, 2018, is made by and between the CITY OF PERRIS, acting for COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS, a duly organized community facilities district (the "City"), and PERRIS ENTERPRISES, LLC, a California limited liability company (the "Owner"), with reference to the following facts.

RECITALS:

WHEREAS, the City Council (the "Council") of the City of Perris, California (the "City"), has previously formed and undertaken change proceedings ("Procedings") in connection with Community Facilities District No. 2006-3 (Alder) of the City of Perris (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, pursuant to the Proceedings, including elections held in connection with the Proceedings on June 12, 2007, the District is authorized to levy a special tax within the District pursuant to the Rate and Method of Apportionment on Exhibit A hereto in order to fund public improvements and fees; and

WHEREAS, in connection with the Proceedings, YH De Lines LLC, a California limited liability company, and YH Wilson LLC, a California limited liability company, the former developers and property owners (collectively "Prior Owner") of all of the property in the District entered into agreements with the City Perris Elementary School District, Perris Union High School District and Eastern Municipal Water District regarding the funding of fees and improvements from the proceeds of bonds to be issued by the District (the "Bonds"); and

WHEREAS, the Prior Owner developed 22 units on the property in the District but due to the 2008 financial crisis and other reasons, the remaining property was not developed; and

WHEREAS, Owner is a subsequent owner of the property in the District and Owner obtained ownership of the property by purchase from Bank of America’s holding entity: Quality Properties Asset Management Company;

WHEREAS, Owner has also received an assignment of all rights, title, interest, benefits and privileges pursuant to the joint community facilities agreements which relate to the District from the Prior Owner;

WHEREAS, Owner has requested that the District enter into this memorandum of understanding to memorialize the terms on which special taxes will be levied within the District due to the fact that certain property owners have been paying taxes ("Current Unit Owners") over the prior period of 11 years since Fiscal Year 2007-08; and
WHEREAS, the Owner has elected to prepay the special taxes of the Current Unit Owners in the amount of the taxes said Current Unit Owners have paid since Fiscal Year 2007-08; and

WHEREAS, the District is authorized to issue bonds to finance fees and public improvements in the District pursuant to an election held in the District; and

WHEREAS, this memorandum will memorialize the agreement related to the prepayment and the special taxes to be paid for the Current Unit Owners in the future in order to allow the Owner to sell the property to a developer and provide for development of the property; and

WHEREAS, the City, and the Owner desire to enter into this MOU in order to memorialize the agreement with respect to future taxes to facilitate the negotiation of any agreements and reimbursements with respect to bonds with the Owner or an initial transferee of the property ("Transferee") and to set forth the basic understanding of the parties with respect to the prepaid special taxes.

NOW, THEREFORE, the parties hereto agree as follows:

1. The recitals hereto are true and correct and incorporated herein by this reference.

2. Pursuant to the Proceedings, the District is authorized to issue Bonds in an amount not to exceed $6,000,000 secured by special taxes authorized to be issued in the District and to be paid over a period of not to exceed 40 years. The Current Unit Owners have paid special taxes within the District since on or after Fiscal Year 2007-08 ("Prepaid Funds"). The amount of Prepaid Funds currently available is $345,124.18 as of April 30, 2018. The District and the Owner desire to memorialize the treatment of the Prepaid Funds such that all property owners in the district are treated fairly over the period of the Bonds to be issued by the District.

3. Wildan Financial Services, LLC, the City’s special tax consultant has calculated the amount of the prepayment and the proposed taxes on Current Owners as a result of the prepayment, and the proposed taxes on future owners in connection with the Bonds, all as described and shown on Exhibit A hereto and by this reference incorporated herein. The figures on Exhibit A hereto are based on the following assumptions: (i) at or before the time Bonds are issued by the District, the Prepaid Funds will be allocated to the 22 existing units proportionally, based on the amount of the special tax levy for each unit, (ii) the amount allocated to each of the 22 existing units will be used to make a partial prepayment under the terms of the Rate and Method of Apportionment, (iii) the fiscal year 2018-19 special tax for those 22 units is expected to be approximately 29% lower than the flat rate that has been levied thus far, and (iv) the special tax levy will escalate by 2% per year for all units in future years.

4. The parties agree to the analysis in Section 3 hereof and to the extent Owner transfers its property to a Transferee, such transfer shall be subject to the conditions agreements herein; provided however that, the Transferee negotiate in good faith with respect to assignments or new agreements related to the funding of the facilities and fees and the agree to indemnify the city and the District in connection with the actions contemplated in such agreements and herein.
5. The parties agree and acknowledge that, while this Agreement does provide that the Transferee and City shall negotiate in good faith on future agreements, this agreement does not obligate the City to enter into such acquisition agreements, joint community facilities agreements or other agreements or guarantee that the special taxes to be levied constitute the special taxes on Exhibit A hereto. This agreement does not require the city to recognize any assignments of prior agreements or prior agreements. City and Owner or Transferee may negotiate in good faith to enter into such agreements or assignments which shall require the approval of all parties. This Agreement simply sets forth an understanding of how the City may treat the prepaid taxes should the agreements materialize. It does not set the final rate under which City will agree to levy taxes.

6. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. There are no agreements or understandings between the parties and no representations have been made by either party to the other as an inducement to enter into this Agreement, except as expressly set forth herein. All prior negotiations, written or oral, between the parties are superseded by this Agreement. This Agreement may not be altered, amended or modified except by a writing executed by both parties. This Agreement is only binding on the Owner and City and for the benefit of the Transferee. Notwithstanding anything provided herein to the contrary, whether express or implied, the parties shall have no obligation to enter into future contracts, and neither the City nor the District nor their respective members, officers, staff or agents have made any promises to Owner or Transferee. No statements of the City or its respective officers, members, staff or agents as to future obligations shall be binding upon the City unless and until the proper legal contract is approved by the City.

7. This Agreement shall not be assigned by Owner without the City's prior written consent, which consent may be withheld in its sole and absolute discretion.

8. Each of the parties acknowledges and agrees that because circumstances may change, and because each of the parties have not fully considered the ramifications of their present intentions, including the proposed terms of the future agreements and assignments, or actions or developers, this Agreement shall not be construed to bind the City or the Owner or the Transferee to enter into such future agreements. The actual covenants and agreements of the parties with respect to the District and issuance of the Bonds shall be set forth in such future agreements to be negotiated. Execution of this Agreement is merely an agreement to enter into good faith negotiations with the Transferee according to the terms hereof, reserving final discretion and approval by the City as to any acquisition agreement, funding agreement, assignment agreement, joint community facilities agreement or other agreement and all proceedings and decisions in connection therewith.

9. This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of, the State of California.

10. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY:

CITY OF PERRIS

__________________________
Mayor

By:

Attest: ______________________
City Clerk

PERRIS ENTERPRISES, LLC

Redlands Service Corporation of Nevada

By: ________________________
Its: Manager

By: ________________________
Timothy K. Whetsell, President

Its: ________________________
EXHIBIT A
Estimated Effective Tax Rates

City of Parris (CFD 2006-3)

<table>
<thead>
<tr>
<th>Ad Valorem Taxes ¹</th>
<th>Fixed Rate Levies ¹</th>
<th>Total Ad Valorem Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Purpose</td>
<td></td>
<td>1.0000%</td>
</tr>
<tr>
<td>Mt. San Antonio Jr. College</td>
<td></td>
<td>0.0125%</td>
</tr>
<tr>
<td>Perris Elementary School District GO</td>
<td></td>
<td>0.0600%</td>
</tr>
<tr>
<td>Perris Union HSD GO</td>
<td></td>
<td>0.0563%</td>
</tr>
<tr>
<td>MWD Debt Service</td>
<td></td>
<td>0.0010%</td>
</tr>
<tr>
<td></td>
<td>$7</td>
<td>1.3315%</td>
</tr>
</tbody>
</table>

City of Perris CFD 2006-3)

<table>
<thead>
<tr>
<th>Land Use and Special Tax Class</th>
<th>CFD 2006-3</th>
<th>Bond Long per Unit</th>
<th>Minimum Special Tax</th>
<th>MWA Lien</th>
<th>Ad Valorem</th>
<th>Other Local</th>
<th>Total</th>
<th>Effect Rate (Excluding</th>
<th>CFD</th>
<th>CSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Property (≤ 2,000 sq. ft.)</td>
<td>19</td>
<td>$36,600</td>
<td>$24,860</td>
<td>$1,937</td>
<td>NA</td>
<td>$175</td>
<td>$1,112</td>
<td>3.8%</td>
<td>1.3586%</td>
<td>1.9334%</td>
</tr>
<tr>
<td>Residential Property (2,000 - 2,599 sq. ft.)</td>
<td>37</td>
<td>$51,900</td>
<td>$31,458</td>
<td>$2,112</td>
<td>NA</td>
<td>$175</td>
<td>$1,130</td>
<td>4.06%</td>
<td>1.3482%</td>
<td>1.9487%</td>
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<tr>
<td>Residential Property (2,500 - 2,999 sq. ft.)</td>
<td>25</td>
<td>$53,700</td>
<td>$32,751</td>
<td>$2,150</td>
<td>$1,130</td>
<td>$175</td>
<td>$1,326</td>
<td>4.40%</td>
<td>1.3472%</td>
<td>1.9366%</td>
</tr>
<tr>
<td>Residential Property (3,000 - 3,499 sq. ft.)</td>
<td>21</td>
<td>$58,150</td>
<td>$34,044</td>
<td>$2,385</td>
<td>$1,174</td>
<td>$175</td>
<td>$1,561</td>
<td>4.81%</td>
<td>1.3310%</td>
<td>1.9284%</td>
</tr>
<tr>
<td>Residential Property (≥ 3,500 sq. ft.)</td>
<td>24</td>
<td>$58,100</td>
<td>$34,318</td>
<td>$3,169</td>
<td>$1,174</td>
<td>$175</td>
<td>$1,342</td>
<td>4.98%</td>
<td>1.3392%</td>
<td>1.9836%</td>
</tr>
</tbody>
</table>

¹ Based on FY 2017-18 cert bills for subject property and comparable single-family homes.
² Recommended base rate provided by Developer. Special Tax rates based on 2% maximum effective tax rate.
CITY COUNCIL/COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: Perris Station Lease Assignment Agreement between the City of Perris and the Perris Community Economic Development Corporation (Revised)

REQUESTED ACTION: That the City Council and CEDC Board approve and authorize the City Manager and CEDC Executive Director to execute the Agreement and amendments to the current subleases in a form approved by the City Attorney.

CONTACT: Eric Dunn, City Attorney

BACKGROUND/DISCUSSION:

On February 12, 2014, HCHP Affordable Multi-Family, LLC (HCHP) and the City of Perris signed a Master Lease providing for the lease of a retail/food use/service oriented commercial project containing approximately 9,978 square feet of floor area located within the ground floor of the building at 24 S. “D” Street in Perris California, more commonly referred to as the Perris Station Apartments.

Four tenants occupy the Perris Station Apartments pursuant to subleases: the Perris Housing Authority, TriLake Consultants, La Gare Café, and Med Perx Pharmacy. The subleases are in the name of the Perris Community Economic Development Corporation (CEDC) not in the name of the City of Perris. On January 8, 2018, the City Council approved a Lease Assignment Agreement between the City and the CEDC to transfer the Master Lease from the City to the CEDC and to correct the name of the owner.

The Master Lease allows the City to transfer the lease with the consent of HCHP, which cannot be unreasonably withheld. Following the approval of the original Lease Assignment Agreement City staff and HCHP reviewed the documents and ultimately agreed on some clarifications to the Agreement and the form of HCHP’s consent, and also to adopt corrective amendments to the subleases clarifying they were originally with the City. The assignment agreement would then take effect and the Master Lease would formally be assigned from the City to the CEDC.

Staff recommends the City Council and CEDC Board approve the foregoing clarifications and authorize the City Manager and CEDC Executive Director to execute revised Lease Assignment Agreement and corrective amendments to the subleases in a form approved by the City Attorney.
BUDGET (or FISCAL) IMPACT

None.

Reviewed by:
City Attorney  X___
Assistant City Manager Darren Madkin ___
Director of Finance Jennifer Erwin ___

Attachments:  None.

Consent:  X
Public Hearing:
Business Item:
Other:
Meeting Date: July 31, 2018

SUBJECT: Contract Agreement Increase to Existing Animal Sheltering Services with the County of Riverside

REQUESTED ACTION: Approve the Contract Agreement Increase to Existing Riverside County Department of Animal Services

CONTACT: Daryl Hartwill, Director of Public Works

BACKGROUND/DISCUSSION: On May 9, 2017, the City Council approved a two year sheltering service agreement with the County of Riverside for Animal Shelter Services in the amount of $91,525 per year. The animal sheltering agreement provides resident pet owners the opportunity to recover lost or stray pets through advanced identification processes and media sources if their animal should ever become lost or misplaced. Additionally, the shelter reunites the family pet with its owner or possibly provides the animal a new home and owner through adoption.

The City of Perris does not provide long term sheltering for animals and pets and therefore contracts this service out. The service provides Perris residents the opportunity to redeem their lost pets, adopt pets that have been properly screened and identified and request veterinary care for their animals as needed.

The County of Riverside anticipates a higher volume of impounds in the 2018/2019 fiscal year based off previous year impounds. The existing agreement will increase from $91,525.00 annually to $136,045.

BUDGET (or FISCAL) IMPACT:
Funding for this service will have an annual cost not to exceed $136,045 for a contract term of one year. Public Works is requesting an additional $45,000 from the General Fund to cover the cost increase.

Reviewed by:
City Attorney
Assistant City Manager
Director of Finance

Attachments: Revised Agreement
Consent:
July 11, 2018

City of Perris
1015 S. G Street
Perris, CA 92570

Dear City of Perris:

The Department has identified a calculation error in the impounds used in the correspondence from March 2018. Please accept this updated letter in lieu of the letter sent last March. In accordance with the provisions of our contract for shelter services, the current sheltering rate has been based on the prior year dog and cat impounds. Please note that a rate review is in process. Rates quoted here may be adjusted once Board of Supervisor approval is given.

Accordingly, the annual sheltering cost for FY 18/19 for the City of Perris will be $119,961. This is based on 1,481 impounds at $81 per animal. This will be billed at the cost of $9,997 monthly. Any impounds of horses and cattle will continue to be billed at $20 per day. Swine, sheep, and goats will continue to be $12 per day.

The operations and maintenance is also based on three years of impounds at a rate of $10.86 per animal. The annual operations and maintenance fee for FY 18/19 will be $16,084, or $1,340 monthly.

Any questions or concerns, please contact Monica Goodrich at (951) 358-7498 or MGGoodrich@rivco.org.

Sincerely,

Mark Sigman
Principal Accountant
AGREEMENT FOR ANIMAL SERVICES

BETWEEN THE CITY OF PERRIS

AND THE COUNTY OF RIVERSIDE

THIS AGREEMENT FOR ANIMAL SERVICES (the "Agreement") is made and entered into by and between the CITY OF PERRIS, hereinafter "CITY", and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, on behalf of the Department of Animal Services hereinafter "COUNTY", collectively hereinafter referred to as "PARTIES".

IT IS THEREFORE AGREED AS FOLLOWS:

1. COUNTY OBLIGATIONS:
   COUNTY shall provide all services as outlined and specified in Exhibit A, Scope of Animal Shelter Services attached hereto and by this reference incorporated herein.

2. PERIOD OF PERFORMANCE:
   This Agreement shall be effective on July 1, 2018 through June 30, 2019, renewable automatically in one (1) year increments through June 30, 2020, if mutually agreed upon by the Parties.

3. COMPENSATION:
   CITY shall reimburse COUNTY the cost of rendering services hereunder at rates established by the Riverside County Board of Supervisors as specified in Exhibit B Payment Provisions attached hereto and incorporated herein by this reference.

4. AVAILABILITY OF FUNDING:
   It is mutually agreed and understood that the obligation of the CITY is limited by and contingent upon the availability of CITY funds for the reimbursement of COUNTY's fees. In the event that such funds are not forthcoming for any reason, CITY shall immediately notify COUNTY in writing. COUNTY shall be entitled to reimbursement of costs for work performed, in accordance with Exhibit B.

5. HOLD HARMLESS/INDEMNIFICATION:
   5.1 CITY shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability, claim, damage or action whatsoever, based or asserted upon any actions of CITY, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever and resulting from any reason whatsoever arising from the actions by CITY, its officers, agents, employees, subcontractors, agents or representatives of this Agreement. CITY shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards of all Agencies, Districts, Special Districts and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any such action or claim.
or action based upon such alleged acts or omissions.

5.2 With respect to any action or claim subject to indemnification herein by CITY, CITY shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CITY’s indemnification to COUNTY as set forth herein. CITY’s obligation to defend, indemnify and hold harmless COUNTY shall be subject to COUNTY having given CITY written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at CITY’s expense, for the defense or settlement thereof. CITY’s obligation hereunder shall be satisfied when CITY has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

5.3 The specified insurance limits required in this Agreement shall in no way limit or circumscribe CITY’s obligations to indemnify and hold harmless COUNTY herein from third party claims.

5.4 COUNTY shall indemnify and hold harmless the CITY, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, governing bodies, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any negligent or willful misconduct of COUNTY its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance by COUNTY, its officers, agents, employees, subcontractors, agents or representatives of this Agreement. COUNTY shall defend at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards of all Agencies, Districts, Special Districts and Departments of the CITY, their respective directors, officers, governing body, elected and appointed officials, employees, agents and representatives in any claim or action based upon such negligent or omissions.

5.5 With respect to any action or claim subject to indemnification herein by COUNTY, COUNTY shall, at its sole cost, have the right to adjust, settle, or compromise any such action or claim without the prior consent of CITY provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes COUNTY’s indemnification to CITY as set forth herein. COUNTY’s obligation to defend, indemnify and hold harmless CITY shall be subject to CITY having given COUNTY written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at COUNTY’s expense, for the defense or settlement thereof. COUNTY’s obligation hereunder shall be satisfied when COUNTY has provided to CITY the appropriate form of dismissal relieving CITY from any liability for the action or claim involved.

5.6 The specified insurance limits required in this Agreement shall in no way limit or circumscribe COUNTY’s obligations to indemnify and hold harmless the CITY herein from third party claims.

6. **INSURANCE:** COUNTY agrees to maintain the following insurance coverage’s during the term of this Agreement:

6.1 **Workers’ Compensation:** COUNTY shall maintain Workers’ Compensation Insurance (Coverage A) as
prescribed by the laws of the State of California. Policy shall include Employers’ Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident.

6.2 Commercial General Liability:
COUNTY shall maintain Commercial General Liability insurance coverage for claims which may arise from or out of COUNTY’s performance under this Agreement. This coverage shall have a limit of liability not less than $1,000,000 per occurrence combined single limit.

6.3 Vehicle Liability:
COUNTY agrees to maintain automobile liability insurance for vehicles provided by the COUNTY for use under this Agreement. This coverage shall have a limit of liability of not less than $1,000,000 combined single limit.

6.4 General Insurance Provisions - All lines:

   6.4.1 Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8).
   6.4.2 The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance.

7. TERMINATION:
CITY and COUNTY reserve the right to terminate this Agreement at any time, with or without cause, upon one hundred eighty (180) days advance written notice stating the extent and effective date of termination. Upon receipt of any notice of termination from CITY, COUNTY shall immediately cease all services hereunder except such as may be specifically approved in writing by CITY and COUNTY. COUNTY shall be entitled to compensation for all services rendered prior to termination and for any services authorized in writing by CITY thereafter.

8. FORCE MAJEURE;
   8.1 In the event the COUNTY is unable to comply with any provision of this Agreement due to causes beyond their control such as acts of God, acts of war, civil disorders, or other similar acts, COUNTY will not be held liable to CITY for such failure to comply.
   8.2 In the event CITY is unable to comply with any provision of this Agreement due to causes beyond their control such as acts of God, acts of war, civil disorders, or other similar acts, CITY will not be held liable to COUNTY for such failure to comply.

9. ALTERATION;
No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, as authorized by their respective governing bodies, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

10. SEVERABILITY:
If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

11. RECORDS:
COUNTY shall maintain and keep records of all expenditures and obligations incurred pursuant to this contract and all income and fees received thereby according to generally recognized accounting principles. Such records and/or animal control operations of COUNTY shall be open to inspection and
audit by CITY or its authorized representative as is deemed necessary by the CITY Manager or the authorized representative of the CITY Manager upon reasonable notice to COUNTY.

12. **NO THIRD PARTY BENEFICIARY:**
This contract between CITY and COUNTY is intended for the mutual benefit of the two signing parties only. No rights are created under this contract in favor of any third party or any party who is not a direct signatory to this contract.

13. **Nondiscrimination:**
During the performance of this contract, COUNTY agrees that it shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex or sexual orientation in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the Government Code of the State of California. Further, COUNTY agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this contract.

14. **Venue:**
Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this contract shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this contract to recover any damages for and on account of the breach of any term or condition of this contract, it is mutually agreed that the prevailing party in such action shall recover all costs thereof including reasonable attorneys' fees to be set by the court in such action.

15. **Assignment:**
It is mutually understood and agreed that this contract shall be binding upon COUNTY and its successors. Neither this contract nor any part thereof nor any moneys due or to become due hereunder may be assigned by COUNTY without the prior written consent and approval of CITY. CITY and COUNTY hereby agree to the full performance of the covenants contained herein.

16. **Amendments:**
Any amendments, including any supplements, to this contract shall be in writing and shall have the approval of the Board of Supervisors of COUNTY and the CITY Council. This is the entire contract for Animal Services and supersedes any prior written or oral contract inconsistent herewith. Any amendment will be presented to the City Manager prior to CITY Council approval.

17. **Notices:**
All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after their deposit in the United States mail, postage prepaid:
or to such other address(es) as the parties may hereinafter designate in writing.

This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.
IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

COUNTY OF RIVERSIDE

By: ____________________________
    John Tavaglione, Chairman
    Board of Supervisors
Dated: _________________________

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: ____________________________
    Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: ____________________________
    Kristine Bell-Valdez,
    Deputy County Counsel

CITY OF PERRIS

By: ____________________________
    Michael M. Vargas
    Mayor
Dated: _________________________

ATTEST:

City Clerk

By: ____________________________

APPROVED AS TO FORM:

By: ____________________________
    City Attorney
CITY OF PERRIS
EXHIBIT A
SCOPE OF ANIMAL SHELTER SERVICES

The County of Riverside, hereinafter referred to as COUNTY, agrees to operate and provide the following Animal Shelter Services for the City of Perris, hereinafter referred to as CITY:

1. **Shelter Location:** The COUNTY will house the CITY’s animals at the San Jacinto Valley Animal Campus, ("Shelter"), or other shelter operated by the County of Riverside at County’s discretion. The handling of these animals will comply with the terms of this contract. The county is responsible for the maintenance and operation of the shelter, and the care of the animals on a 24-hr basis.

2. **Contract Performance:** COUNTY’s Director of Department of Animal Services, or appointed designee, shall meet as necessary to discuss contract performance with the CITY’s City Manager or appointed designee.

3. **Shelter Services:**
   3.1 **Treatment of Animals:** Adequate care and treatment of animals while in custody at the Shelter to ensure that animals impounded are provided with humane and appropriate levels of care including a clean environment, fresh water, adequate nutrition and appropriate medical care.
   3.2 **Spay and Neuter:** Ensuring that all dogs and cats adopted from the Shelter are spayed or neutered, or that adequate provisions are made for such spaying or neutering if COUNTY transfers any animals, or if adopted animal is unable to receive spaying or neutering due to a medical condition. In accordance with California Food and Agricultural Code Sections 30503 and 31751.3, if a veterinarian employed at the Shelter certifies that a dog or cat is too sick or injured to be spayed or neutered, the COUNTY shall collect a spay/neuter deposit from said adopter or purchaser and said deposit will be deposited into a segregated fund, which will be maintained by the COUNTY. Such deposit will be fully refunded to the adopter or purchaser if proof of sterility is provided within 30 business days from the date of surgery, at which the deposit is forfeited in accordance with the CA Code 30503 and 31751. Accordingly spay and neuter deposits may only be used by the COUNTY for programs to spay or neuter dogs and cats.
   3.3 **Volunteer Program:** Maintenance of a program to provide for the participation of Volunteer's in programs relating to animals.
   3.4 **Enforcement:** Enforce all relevant provisions of County of Riverside Title 6, ANIMALS, and State law as may be applicable to animals housed, kept or maintained at the Shelter.
   3.5 **Incoming Animal Identification:** Incoming animals must be checked immediately for collar tag, and scanned for microchip by qualified Shelter staff within one hour of arrival to the Shelter. Shelter staff shall make all attempts to notify owners within twenty-four (24) hours of the animal impound by COUNTY.
   3.6 **Quarantine:** COUNTY shall quarantine, as prescribed by law, all animals suspected of being rabid, or involved in a bite investigation.
   3.7 **Impoundments and Quarantines:** COUNTY shall house, feed and care for all animals impounded and/or quarantined at the Shelter.
   3.8 **Incoming Animal Examinations/Assessments:** A cursory exam will be performed within twelve (12) hours, except after regular business hours when the examination will be performed within twenty-four (24) hours. Incoming animal assessment must include the following:
      3.8.1 A physical examination to determine if a medical condition exists which requires a veterinarian’s attention
      3.8.2 Routine vaccinations and de-worming, as needed
3.8.3 External parasite treatment, as necessary
3.8.4 Document the animal’s incoming weight
3.8.5 Scan for microchip identification
3.8.6 Establish unique identifier for the animal
3.8.7 Document any identifying features or abnormalities. The COUNTY shall properly document on an animal-by-animal basis that an examination/assessment is performed.

3.9 Behavioral Assessments: Behavioral Assessments of Shelter animals will be conducted in accordance with guidelines established by the Department of Animal Services.

3.10 Adoption: Animals identified as being available for adoption are placed in adoptable areas of the Shelter.

3.11 Community Adoption Partners: California Food & Agricultural Code, Sections 31108(b) and 31752(b) state any stray dog/cat “that is impounded pursuant to this division shall, prior to the euthanasia of that animal be released to a nonprofit, as defined in Section 501(c) (3) of the Internal Revenue Code, animal rescue or adoption organization if requested by the organization prior to the scheduled euthanasia of that animal. The public or private shelter may enter into cooperative agreements with any animal organization or adoption organization. In addition to any required spay or neuter deposit, the public or private shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for animals adopted or released.”

3.12 Foster Care Placement: A foster care placement program assists the Shelter by improving animal care, giving certain animals a better chance of adoption, and lifting the spirits and morale of staff and volunteers.

3.13 Vicious Dogs: Any dog declared or determined to be vicious/dangerous and in custody of the Shelter either under impoundment or quarantine shall be deemed unsuitable for adoption and shall not be released except as required by law or at the Director’s discretion.

3.14 Euthanasia: Provide humane euthanasia service as required for impounded animals held at the Shelter for the lawful number of days, if such animal is not reclaimed by said animal’s owner and is deemed to be not adoptable by COUNTY. Animals that are irremediably suffering from a serious illness or severe injury may not be held for owner redemption or adoption. Only euthanasia methods approved by the American Veterinary Medical Association shall be used. Records will be kept for a period of not less than three (3) years on each euthanized animal including the following information: breed; sex; color; weight; other distinguishing characteristics; date, time and location where animal was found; method of euthanasia and reason for use of method.

3.15 Drug Enforcement Agency (DEA): Additionally, the COUNTY must comply with all Drug Enforcement Agency (DEA) regulations regarding storage, record-keeping, inventory, use, and disposal of all controlled substances.

3.16 Feeding Protocols: All animals shall be fed in amounts appropriate to meet their nutritional needs.

3.17 Staffing and Volunteers: COUNTY shall recruit and supervise all necessary personnel for the office, kennel, veterinary and other areas of the Shelter. Staffing shall include any and all full or part-time personnel and shall include the recruitment, supervision and assignment of volunteers in suitable Shelter-related activities. Personnel employed at the Shelter in the performance of Shelter-related activities shall be designated as COUNTY employees and any and all volunteers engaged in Shelter activities shall participate in activities designated by COUNTY and shall be under the auspices of COUNTY. Use of volunteers at the Shelter shall be determined by COUNTY on behalf of CITY.

3.18 Holding Periods: COUNTY shall hold all stray impounded animals, not otherwise owner identifiable, for holding periods as required by law.

3.19 Missing Animals: COUNTY shall notify police immediately of any animal found to be missing from the Shelter that had previously been impounded and/or in protective custody.
3.20 **Hours of Operation:** COUNTY shall maintain hours of operation at the Shelter to provide maximum public access for the animals, to the extent possible.

3.21 **Disease Control and Sanitation:** COUNTY shall maintain the Shelter in a clean and sanitary condition. COUNTY’s policies and procedures in this area may include beneficial standards and/or guidelines derived from reputable animal care organizations including, but not limited to, the following: Humane Society of the United States, American Humane Association and American Veterinary Medical Association.

3.22 **Provision of Personnel and Supplies:** COUNTY will provide personnel, supplies, materials, medication, pharmaceuticals, and equipment, including forms and report to perform all aspects of the Shelter Services program.

3.23 **City Access:** COUNTY shall provide access to the authorized representatives of CITY to the entire Shelter during normal business hours, and at such other times upon reasonable notice.

3.24 **Livestock and Fowl Care:** COUNTY shall provide food, care and shelter to livestock and fowl, either at the Shelter or at another location when such animals cannot be cared for at the Shelter. Costs of housing any livestock or fowl, regardless of Shelter location shall be charged to the owner of the animal, if known. If the animal’s owner wishes to redeem the animal, the owner shall first pay all applicable fees and charges at the Shelter; except as otherwise required by law, then and only then, will the COUNTY authorize release of the animal. COUNTY shall notify CITY in writing where said expenses reach the amount of $5,000 or greater per incident. Such expenses shall not exceed the amount of $25,000 per incident unless authorized in writing by CITY.

3.25 **Animal Disposal:** COUNTY shall prohibit any animal whether dead or alive, which has been impounded, in custody, or in quarantine at the Shelter to be given away, disposed of, traded, sold or in any manner given over to another person, organization or entity for experimentation, regardless of purpose. COUNTY shall be responsible for the disposal of animal remains in its custody or control, subject to applicable laws.

3.26 **Level of Service Provided:** COUNTY will provide Shelter Services as defined in this contract. COUNTY’s policies and procedures for Shelter Service shall be based on standards and/or guidelines derived from reputable animal care organizations including, but not limited to, the following: Humane Society of the United States, American Humane Association and American Veterinary Medical Association.

3.27 **Animals Surrendered by their Owners:** Any pet surrendered by the owner to an Animal Control Officer and transported to the COUNTY shelter shall incur the prevailing owner surrender charges. Such fees shall be collected from the owner and conveyed to the COUNTY, or be charged directly to the CITY at the established stray animal rate for the shelter.

3.28 **Licenses for Dogs:** County shall issue dog licenses for City residents at City’s request as follows: City will provide tags to County and coordinate the tag numbers to be used with the County licensing department. All fees collected for dog licenses shall be accounted for by County and credited to City on a monthly basis, provided, however that County shall retain the sum of $6.00 for each dog license issued hereunder. A one-time data conversion fee may be applicable if CITY data is new to the COUNTY licensing database.

4. **Compensation:**

4.1 Compensation for Sheltering:

4.1.1 Compensation for shelter services shall be based upon established rate for shelter service at specified primary shelter location and prior year impounds of dogs and cats. An annual rate shall be established based on these factors and payable monthly in 1/12th increments. Additional costs for large animal sheltering are incurred at $20 per animal per day for horses and cattle and $12 per animal per day for swine, goats and sheep in accordance with ordinance and will be
billed based on actual sheltering on a monthly basis.

4.1.2 CITY will be responsible for all costs associated with any/all animals seized within the CITY boundaries which are held in Shelter, including facilities that contract with the COUNTY to provide additional shelter services under the supervision of the COUNTY. This includes animals being held as evidence in a court filing or Rabies quarantine. The COUNTY agrees to assist the CITY in seeking reimbursement from the owner by providing invoices for all services provided. All services provided to each animal involved will be charged as of the current date including but not limited to the following: IMP 1- collection; State Fine 1-collection, Board collection- all fees due; QT Board collection-if applicable; Rabies Vaccination collection-if applicable; DA2PPV collection; Boardatella collection; microchip collection; any and all medications provided to each animal; and Personnel charges. All fees will be in accordance with the COUNTY’s current fee schedule.

4.2 Compensation for Operations and Maintenance: Compensation for Operations and maintenance shall be based upon rate for shelter service at a specified primary shelter location and three prior fiscal year impounds of dogs and cats. An annual rate shall be established based on these factors and payable monthly in 1/12th increments.

4.3 License Processing: Compensation for License processing shall be based upon actual licenses processed and licensing processing rate. License processing costs shall be billed monthly and total resulting compensation may vary from estimated contract cost.

4.4 Outreach Activities: Daily flat rates educational outreach and shot clinics will be billed based on actual outreach days scheduled. Compensation accounts for full staff time to provide service for one day. The maximum time possible will be afforded for actual outreach activity; however actual outreach activity time will be reduced by travel and preparation time the day of the event.

5. Definitions:

5.1 “Shelter Services,” as used in this contract shall include, but is not limited to, the following activities:

5.1.1 Impoundment, admittance, receiving, care, custody and feeding of any and all stray domestic animals. Livestock, exotics and the impoundment of wildlife as may be delivered and/or received at the Shelter until an appropriate wildlife agency can be contacted and the wildlife then transferred into their custody.

5.1.2 Redemption, treatment, sale, adoption, and/or disposal of any and all animals.

5.1.3 Counseling and advising animal owners.

5.1.4 Each animal shall be identified individually and photographs of all newly impounded animals shall be posted on the Shelter website.

5.1.5 Ensuring that all dogs, four months and older, released from the Shelter to a resident of Riverside County are licensed and, if not licensed, to sell license to the owner or other person taking custody of each such dog. In accordance with COUNTY ordinances, require the microchipping of released animals at the owner’s expense.

5.1.6 Humane euthanasia of animals as lawful and necessary, including the creation of a log detailing those animals that are euthanized and the reasons for such euthanasia on an animal-by-animal basis. This log shall further state whether the animal was unhealthy and unsuitable for adoption.

5.1.7 Proper disposal of dead animals.

5.1.8 Care and maintenance of the Shelter facility, including land and buildings. “Care” includes, but is not limited to providing a safe, temporary refuge for any animal impounded, and providing needed medical services for injured/sick animals or transfer of animal to the appropriate agency.
5.2 "Adoptable Animal," shall mean those animals eight weeks of age or older that at or subsequent to the time the animals are impounded or otherwise taken into possession, have manifested no sign of disease, injury, or congenital or hereditary condition that adversely affects the health or temperament of the animal, or that is likely to adversely affect the animal’s health in the future. Dogs declared as "vicious" under State and/or local laws are unadoptable.

5.3 "Treatable," shall mean an animal with a medical condition such as skin problems bad flea or skin infestations, a broken limb, abscess, or problems that may be treated with appropriate resources, holding space, treatment and/or time. "Treatable" shall also mean an animal with behavioral conditions that may be corrected with time and proper training, such as chasing animals/objects, food aggression, etc.

5.4 "Untreatable Animal," shall mean any animal that is irremediably suffering from a serious illness or physical injury or behavioral condition and shall not be held for owner redemption or adoption.

5.5 Impounded animals include animals found running at large, removed from private property or that are taken into the custody by COUNTY or law enforcement.

5.6 Seized animals: animals that are confiscated from an owner when ordered by a court of competent jurisdiction, under Penal Code 597.1 whether the seizure was determined justified or not, when exigent circumstances exist.
CITY OF PERRIS
EXHIBIT B
PAYMENT PROVISIONS

CITY shall pay to COUNTY on a monthly basis arrears, with a monthly billing and accounting thereof by COUNTY to CITY those fees as established by County of Riverside Ordinances 534 and 630 codified as Riverside County Code of Ordinances Title 6-Animals; relative to the services to be performed under this Agreement as follows:

1. **Animal Shelter Services:**
   1.1 Animal Sheltering Services: 1,481 x $81* = $119,961/fiscal year (FY) Payable in 1/12th increments of $9,997/monthly.
   (Fixed rate based on past Fiscal Year impounds multiplied by the sheltering rate* at San Jacinto Valley Animal Campus.)
   1.2 Operational and Maintenance (O&M) Costs: 1,481 x $10.86** = $16,084/FY Payable in 1/12th increments of $1,340/monthly.
   (Fixed rate based on past Fiscal Year impounds multiplied by the O&M rate *for San Jacinto Valley Animal Campus.)
   1.3 Large Animal Sheltering of horses and cattle at $20 per animal per day of sheltering (Additional cost billed on actuals)
   1.4 Large Animal Sheltering of swine, goats and sheep at $12 per animal per day of sheltering (Additional cost billed on actuals)

4. **Outreach Activities:** Daily flat rates for education outreach and shot clinics will be billed based on actual days scheduled. Compensation accounts for full staff time to provide service for one day. The maximum time possible will be afforded for the actual outreach activity; however actual outreach activity time will be reduced by travel and preparation time the day of the event.
   4.1 Shot Clinic: $2,783* per event flat rate billed on actual use
   *The cost for staff, vaccinations and microchips, free to constituents with a 200 cap.
   4.2 Education outreach event $2,553* per event flat rate billed on actual use.
   *The cost to staff an outreach event for the purpose of educating City constituents.

5. **Summary of Compensation for Animal Services:** The following chart summarizes the fees to be charged by the COUNTY for animal services pursuant to this Agreement.

<table>
<thead>
<tr>
<th>Service</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelter Service** (Fixed)</td>
<td>$119,961</td>
</tr>
<tr>
<td>Operation &amp; Maintenance**</td>
<td>$16,084</td>
</tr>
<tr>
<td>Total***</td>
<td>$136,045</td>
</tr>
</tbody>
</table>

Rates are subject to change as adopted by the Board of Supervisors

The scheduled compensation payable to COUNTY for all services as set forth in this Agreement is one hundred and thirty six thousand forty five 00/100 ($136,045.00) for the period commencing July 1, 2018 through June 30, 2019, renewable automatically in one (1) year increments through June 30, 2020, if mutually agreed upon by the Parties. The CITY will be provided prior year impound rates by March 31st each year for following year budgets through June 30, 2020.
Shelter service and Operation Maintenance (O&M) fixed rates are adjusted for each year of contract by the following formula: Prior three fiscal year dog/cat impounds times the sheltering/O&M rate. The formula establishes a fixed rate that will be payable in 1/12th monthly increments. The CITY will be provided prior year impound rates by March 31st each year for following year budgets through June 30, 2020.
Meeting Date: June 31, 2018

SUBJECT: Consideration of AB1405 (Mullin), which authorizes the Department of Transportation, subject to Federal Approval, to install up to 25 digital freeway signs along state highways.

REQUESTED ACTION: Support California League of Cities in Opposing AB1405 (Mullin), which authorizes the Department of Transportation to install up to 25 new digital freeway signs along state highways.

CONTACT: Dr. Grace Williams, Director of Planning and Economic Development

DISCUSSION:

Assembly Bill 1405 (Mullin) proposes amendments to the existing Outdoor Advertising Act, provides for the regulation by the Department of Transportation of advertising displays, as defined, within view of public highways. This bill "require the department to establish a digital sign demonstration program" that would authorize the department, subject to federal approval, to enter into comprehensive development lease agreements for up to 25 new digital freeway signs across the State until January 1, 2024. The League of California Cities, along with other entities listed within attached documents, are concerned about the Bill's attempt to take away land use control from local municipalities on matters regarding outdoor advertising signs, and overview on aesthetics along freeway frontage properties. After reviewing the Bill and materials submitted by proponents and opponents of the measure, City staff is in agreement that Bill proponents have not yet supplied the appropriate technical analysis to substantiate their claims under the Bill. As such, staff is recommending that the City support a "No" vote at the Senate to the measure and authorize the City Manager to execute the attached letter to Senator Roth of Senate District No. 31.

BUDGET (or FISCAL) IMPACT:

Cost for staff preparation of this item has been budgeted in the 2017-2018 budget.

Prepared by: Dr. Grace Williams, Director of Planning & Economic Development

Director of Finance: Jennifer Erwin
Assistant City Manager: Clara Miramontes
Assistant City Manager: Darren Madkin

Consent Item: June 31, 2018

Attachments: 1. Opposition Letter
2. AB1405 Overview
3. Articles
July 31, 2018

The Honorable Portantino, Chair
Senate Standing Committee on Appropriations
State Capitol, Room 2206
Sacramento, CA 95814

Re: AB 1405 (Mullin) – OPPOSE

Dear Chair Portantino:

On behalf of City of Perris, I would like to express our opposition to AB 1405 (Mullin), which proposes amendments to the existing Outdoor Advertising Act, provides for the regulation by the Department of Transportation of advertising displays, as defined, within view of public highways. This bill “requires the department to establish a digital sign demonstration program” that would authorize the department, subject to federal approval, to enter into comprehensive development lease agreements for up to 25 new digital freeway signs across the State until January 1, 2024. The City of Perris is a thriving community within the heart of western Riverside County, the fastest growing County in the State of California, and is home to some of the most disadvantaged communities within the State. The City has an overall vision for properties along the I-215 freeway and this bill could negatively impact our ability to control the aesthetics along that corridor.

This bill is unnecessary and for a growing jurisdiction like Perris, it is an encroachment into our land use authority and overview to support economic development within our communities. We currently have a handful of digital freeway signs along the I-215 freeway corridor and wish to maintain local control of where and when these structures are installed along the highway and within our city limits. For these reasons, we respectfully oppose AB 1405 and request your “NO” vote.

Sincerely,

Richard Belmudez
City Manager

CC: Members, Senate Standing Committee on Appropriations
AB-1405 Digital sign demonstration pilot program

Introduced by Assembly Member Mullin
(Coauthor: Assembly Member Bonta)

February 17, 2017

An act to add Article 4.6 (commencing with Section 172) to Chapter 1 of Division 1 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL’S DIGEST

AB 1405, as amended, Mullin. Advanced Digital Network Act—Digital sign demonstration pilot program.

Existing law, the Outdoor Advertising Act, provides for the regulation by the Department of Transportation of advertising displays, as defined, within view of public highways.

This bill would enact the Advanced Digital Network Act. The bill would require the department to establish a digital sign demonstration program. As part of the program, the bill would authorize the department, subject to federal approval, to enter into a specified comprehensive development lease agreement agreements until January 1, 2024, pursuant to a best value competitive procurement process for a project pilot projects with a public or private entity, entities or a consortium thereof, of those entities, to install and operate a network of up to 25 new digital signs within the rights-of-way of the state highway system that would display commercial advertising and public service messages. The bill would authorize the use of the digital signs for emergency messages, as needed, and require dedicated time to be provided to the department to use the advanced digital network digital signs for traveler information and motorist safety and awareness campaigns and any other public messaging desired by the state, without providing additional compensation to the contracting entity.
The bill would provide for the contracting entity with which the department has entered into an agreement to contract and receive funds for the placement of commercial advertisements that meet certain standards established by the department. The bill would require revenues derived from the pilot project to be allocated between the department and the contracting entity with which the department has entered into the agreement and would require those revenues received by the department to be deposited in the State Highway Account.

The bill would authorize the department to exercise any power possessed by it with respect to transportation projects to facilitate the project pilot projects and to adopt guidelines and procedures relative to advertising on the network digital signs. The bill would require the department, within one year following the implementation of the project, to Transportation Agency, in coordination with the department and the Department of the California Highway Patrol, to annually submit a specified report beginning July 1, 2019, and until July 1, 2024, to the fiscal and policy committees of the Legislature having jurisdiction over transportation matters.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 4.6 (commencing with Section 172) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 4.6 Advanced Digital Network Act Digital Sign Demonstration Pilot Program

172. This article shall be known, and may be cited, as the Advanced Digital Network Act.

172.1. The Legislature finds and declares all of the following:

(a) Communicating timely information to the traveling public regarding laws, services and events, public service and public health and safety messages, and emergency notifications is an essential public purpose that advances the general health, welfare, and safety of the citizens of California and entities that visit and travel through the state.

(b) California presently makes available on its Internet Web site information regarding laws, services and events, communicates public service and public health and safety messages, and transmits emergency notifications to users of computers, smartphones, and similar online and wireless devices. While this mechanism is effective, it does not provide real-time information to motorists.

(c) Recent advances in technology have made it possible to create a reliable, effective, and comprehensive network of reliable and effective digital signs that combine text with graphics in order to rapidly and clearly communicate important emergency and public service information to the users of California's highways more safely and effectively than the current methods. This advance technology digital-network would signs could increase the efficacy and reliability of this information transmission by increasing the number and visibility of signs providing emergency and public service information, thereby enhancing the safety and travel experience of the people of California, and function as an extension and improvement of the existing California public information and emergency messaging communication efforts.

(d) The establishment and operation of an advanced digital network should be accomplished at no cost to the state through a public-private partnership, where the private partner erects and operates the network, but is allowed to earn revenues from advertising when signs on the network are not used for public purposes.

(e) Revenues to the state generated by the advanced digital network would provide additional funding for transportation and safety initiatives such as additional highway maintenance and repair, in return for the right to place advertisements on the advanced digital network in a manner that is consistent with, and supports, the network's safety and public communication functions.

(f) The advanced digital network signs shall be located and installed in accordance with department guidelines for orientation toward motorists on the traveled way and shall have minimal impact outside of those rights of way.

(g) The authority to use the advanced digital network for commercial advertising shall require that the advertising and department messaging, when displayed in combination, are determined to be safe and do not create an unsafe distraction to motorists, and is subject to any required prior authorization under federal law.

(4) On March 28, 2018, the department issued a report called the "Outdoor Advertising Report: Changeable Message Signs" pursuant to a statutory requirement (Section 7 of Chapter 27 of the Statutes of 2014) that examines the feasibility of conducting a pilot project to place commercial outdoor advertising, in the form of a message center, on state-owned changeable message signs. The department report concludes that it could be
feasible to conduct a pilot project, which would allow the State to evaluate any potential safety implications and assess how much potential revenue could be generated.

(e) The department report notes there are significant challenges to implement a pilot project including concerns of safety to the traveling public, local agency and community approval, and operational impacts to the state highway system. It further notes that the department does not have state or federal authority to move forward because waivers or exemptions would be needed from the federal government pursuant to portions of the federal outdoor advertising regulations, the Outdoor Advertising Act (Chapter 2 (commencing with Section 5200) of Division 3 of the Business and Professions Code), and sections of the federal Manual on Uniform Traffic Control Devices.

(f) The department report concludes that, once appropriate authority is received, it would be feasible to conduct a phased four-year demonstration pilot program of 25 changeable message signs with message center capabilities to provide the appropriate test environment for the concept.

(g) It is the intent of the Legislature to require the department to establish a digital sign demonstration pilot program to study safety and operational impacts, assist in evaluating revenue assumptions, and determine risks and benefits of a next generation changeable message sign that displays advertising and traditional department messaging.

172.2. For purposes of this article, the following terms mean the following:

(a) "Advanced digital network" means an integrated network of digital signs. The advanced digital network shall consist of new digital signs at locations as determined by the department.

(b) "Agreement" means a legally enforceable agreement for the pilot project to install and operate an advanced digital network, a digital sign or signs, including, but not limited to, a license, lease, highway improvement agreement, easement, encroachment permit, or operation and maintenance agreement.

(e) "Best value" means a value determined by objective criteria that may include, but are not limited to, revenues to the state, features, experience, functions, life cycle costs, price, the capability to develop and incorporate advanced technologies, and other criteria deemed appropriate by the department.

(c) "Changeable message sign" has the same meaning as defined in Section 101.14.

(d) "Contracting entity or lessee" "entity" means a public or private entity, entities, or consortia thereof, that entered into a comprehensive development lease agreement with the department for a pilot project pursuant to this section.

(e) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(f) "Digital sign" means a department-owned or controlled sign or official changeable message sign with message center capabilities that is designed to display various messages that provide information to the public, as well as advertising, by mechanical or electronic means centrally controlled through a network, means, including, but not limited to, digital and light-emitting diode (LED) technologies.

(g) "Project"

(f) "Pilot project" means to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, lease, operate, or any combination of these, a state-of-the-art, full-color network of digital-signs sign or signs within the rights-of-way of the state highway system.

172.4. (a) Consistent with the requirements and purposes of this article, the department shall establish a digital sign demonstration program.

(b) As part of the program, the department may enter into lease agreements pursuant to Section 172.6 with public or private entities, or consortia of those entities, to establish pilot projects to install and operate new digital signs within the state highway system right-of-way.
(c) The department may authorize the installation and operation of up to 25 new digital signs under the program, which shall be installed and operated in different locations with the goal of testing the signs in diverse settings. The department may authorize the new digital signs to replace existing changeable message signs or to be established in new locations, except that digital signs established at new locations shall not be installed on scenic highways.

(d) The department shall authorize each pilot project to install and operate a specific number of digital signs but the total number of digital signs between all of the pilot projects shall not exceed 25 digital signs.

(e) Before the installation of any digital sign, the department shall develop a plan and protocol, which shall be submitted to the Legislature, to measure the impact of the program, including, but not limited to, safety effects, benefits to the public, and revenue generation.

172.6. (a) Notwithstanding any other law, and subject to any required federal approval authorizing the department to do so, the department may solicit proposals, accept unsolicited proposals, negotiate, and enter into comprehensive development lease agreements with public or private entities, or consortia thereof, to conduct a single project, pilot projects, in a manner that best effectuates the purposes of this article, to install and operate a new digital sign or signs within the state highway system right-of-way, in a manner to best effectuate the purposes of this article. If the department is advised by the United States Department of Transportation, or any of its agencies, that a display of advertising authorized by this article would result in the reduction of federal aid highway funds to the state pursuant to Section 131 of Title 23 of the United States Code, that display of advertising shall not be made. The department shall conduct a best value competitive procurement and negotiate an initial agreement to become effective upon obtaining any necessary federal authorization. The department may provide services for which it is reimbursed with respect to preliminary design, inspection, and oversight of the a pilot project.

(b) The agreement shall provide that the contracting entity with which the agreement is entered into will bear all reasonable costs of the pilot project, including, but not limited to, costs of installation, maintenance, and operation of the pilot project.

(c) The agreement described in subdivision (a) shall do all of the following:

(1) Provide for construction, operation, and maintenance of a network of new digital signs at locations selected for the project, pilot project by the department in consultation with the regional transportation planning agency or county transportation commission or authority in whose jurisdiction the project will be located and the Department of the California Highway Patrol.

(2) Provide for complete reversion of any ownership interest in any of the privately constructed, improved, operated, and maintained digital signs to the department at the expiration of the agreement at no charge to the department and free and clear of any lien or encumbrances.

(3) Provide that all department emergency notifications shall have priority over other messaging, including advertising.

(4) Provide that the department, in consultation with the Department of the California Highway Patrol, shall retain the ability to make a determination on the safety of the digital signs, and may take those actions deemed necessary to protect public safety.

(5) Require that the agreement entered into pursuant to this section include indemnity, defense, and hold harmless provisions agreed to by the department and the contracting entity, including provisions for indemnifying the State of California against any claims or losses resulting or accruing from the performance of the contracting entity, including advertising on the advanced digital network, digital signs, excluding any advertising approved in advance or provided by the department. This paragraph does not require the agreement to include any obligation of the State of California to indemnify, defend, or hold harmless the contracting entity.

(6) Provide for the contracting entity with which the agreement is made to contract and receive funds for the placement of commercial advertisements on the advanced digital network, digital signs except during times and to the extent the signs are in use by the department and to share revenues generated in connection with the use of those signs for commercial advertising in furtherance of the public interest. interest in a proportion negotiated by the department but the agreement shall not allocate less than 50 percent of those revenues to the department after reasonable installation costs have been recovered by the contracting entity.

(7) Provide that the agreement shall cease on January 1, 2024, at which point commercial advertising shall cease unless authorized by a subsequent statute.
(d) The advanced digital network digital signs to be constructed pursuant to this article shall, during the term of the applicable agreement, be deemed to be a part of the state highway system for purposes of identification, maintenance, and enforcement of traffic laws, and part of the state highway system for emergency notification and other public service information purposes and for the purposes of Division 3.6 (commencing with Section 610) of Title 1 of the Government Code.

(e) Revenues from the advanced digital network digital signs shall be allocated between the contracting entity with which the agreement is made and the department in accordance with the agreement as provided in paragraph (6) of subdivision (c). Revenue derived from the project and received by the department, or any other revenue generated from advertising on the advanced digital network digital signs owned by the department, and received by the department, shall be deposited in the State Highway Account in the State Transportation Fund. This revenue shall not be subject to the transfer under Section 183.1 or any successor to that section. Revenues deposited under this section shall be retained in the State Highway Account, subject to appropriation by the Legislature, consistent with the provisions of any federal authorization.

(f) The digital signs shall meet the design, construction, and operating requirements in the department's standards and guidelines, including, but not limited to, controls, such as state-of-the-art sensors that control the brightness of the display based on the surrounding ambient light levels and other technologies muting adjacent glare, that focus the zone of vision toward motorists on the traveled way and prevent neighborhood impacts in the vicinity of the digital signs.

(g) The department shall retain the ultimate right to determine whether the location for the placement of a digital sign has or will negatively impact a residential area or community. If the department determines that the location of a digital sign has or will have a negative impact on a residential area or community, the department may, in its discretion, impose additional requirements on its lighting or placement, require a different placement, not allow its placement, or require its removal.

(h) For the purpose of facilitating the pilot project, the applicable agreement between the parties may include provisions for the lease of rights-of-way in, and airspace over or under, highways, public streets, rail or related facilities, for the granting of necessary easements, and for the issuance of permits or other authorizations to enable the construction of the project. Facilities subject to an agreement under this section shall, at all times, be owned by the department.

(i) The agreement shall require digital signs on the state highway system to meet all requirements for noise mitigation, landscaping, pollution control, and safety that otherwise would apply if the department were designing, building, and operating the pilot project.

(j) Construction, alteration, demolition, installation, repair, and maintenance work for digital signs is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

172.8. The department may exercise any power possessed by it with respect to transportation projects to facilitate the project pilot projects pursuant to this article. The department may provide services to the contracting entity for which the department is reimbursed, including, but not limited to, planning, environmental planning, environmental certification, environmental review, preliminary design, design, right-of-way acquisition, construction, maintenance, and policing of the project. The department shall regularly inspect the advanced digital network digital signs and require the contracting entity to maintain and operate the advanced digital network digital signs according to adopted standards. Except as may otherwise be set forth in the agreement, the contracting entity shall be responsible for all costs due to development, maintenance, repair, rehabilitation, and reconstruction, and operating costs.

172.8-172.10. Advertising on the advanced digital network digital signs shall be in the form and under those conditions as may be determined by the department and as may be set forth in standards, guidelines, and procedures adopted by the department. The advertising shall not compromise safety or the department's safety communication functions. The network digital signs shall enhance public messaging, including, but not limited to, safety campaigns, emergency notifications, travel times, and traveler information and the function of the advanced digital network information. All digital signs subject to this article shall be exempt from subdivision (d) of Section 5408 of the Business and Professions Code and from any and all regulations promulgated adopted in connection with subdivision (d) of Section 5408 of the Business and Professions Code, except that this exemption does not prevent the department from imposing any restrictions necessary for safety purposes.

173. The department shall not enter into an agreement with any contracting entity that would cause or permit any digital sign to display or advertise alcohol, tobacco, firearms, sexually explicit material, political messages or
advertisements, or any illegal activity. The department shall adopt policies and guidelines in connection with the content and formatting of the advertising.

173.2. The department may use the digital signs for emergency messages, as needed, and dedicated time shall be provided to the department to use the advanced digital network digital signs for traveler information and motorist safety and awareness campaigns and any other public service messaging desired by the state, without providing compensation to the contracting entity with which it enters into an agreement pursuant to this article.

173.4. (a) When choosing the a contracting entity with which to enter into an agreement pursuant to Section 172.6 to effectuate the purposes of this article, the department may utilize, but is not limited to utilizing, one or more of the following procurement approaches:

1) Solicitations of proposals for defined projects and calls for project proposals within defined parameters
2) Prequalification and short-listing of proposers prior to final evaluation of proposals
3) Final evaluation of proposals based on qualifications and best value.
4) Negotiations with proposers prior to award.
5) Acceptance of unsolicited proposals, with issuance of requests for competing proposals.

(b) When evaluating a proposal submitted by the contracting entity or lessee, the department or the regional transportation agency may award a contract on the basis of best value.

(c) The department may retain a consultant or adviser to assist in preparing the best value criteria, selection of a contracting entity, and oversight of the project or pilot project. The consultant or adviser shall not bid on the project or, before one year following award of a contract, work as an officer or employee of, or consultant or adviser to, any contracting entity or entity seeking to bid on the project.

(d) The contracting entity shall have the following qualifications:

1) Evidence that the members of the contracting entity have competed, or have demonstrated the experience, competency, capability, and capacity to complete a project of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, and a financial statement that ensures that the contracting entity or lessee has the capacity to complete the project.

2) The licenses, registration, and credentials required to design and construct the project, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

3) Evidence that establishes that members of the contracting entity or lessee have the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

4) Evidence that the contracting entity or lessee has workers' compensation experience, history, and a worker safety program of members of the contracting entity or lessee that is acceptable to the department or regional transportation agency.

5) A full disclosure regarding all of the following with respect to each member of the contracting entity or lessee during the past five years:

A) Any serious or willful violation of Part 1 (commencing with Section 6300) of Division 5 of the Labor Code, or the federal Occupational Safety and Health Act of 1970 (Public Law 91-596).

B) Any instance in which members of the contracting entity or lessee were debarred, disqualified, or removed from a federal, state, or local governmental public works project.

C) Any instance where members of the contracting entity, or its owners, officers, or managing employees submitted a bid on a public works project and were found to be nonresponsive or were found by an awarding body not to be a responsible bidder.

D) Any instance where members of the contracting entity or lessee, entity, or its owners, officers, or managing employees defaulted on a construction contract.

E) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), including, but not limited to, alleged violations of federal or state law.
regarding the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or Federal Insurance Contributions Act (FICA) withholding requirements.

(F) Any bankruptcy or receivership of any member of the contracting entity or lessee, entity, including, but not limited to, information concerning any work completed by a surety.

(G) Any settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the contracting entity or lessee during the five years preceding submission of a bid under this article, in which the claim, settlement, or judgment exceeds fifty thousand dollars ($50,000). Information shall also be provided concerning any work completed by a surety during this five-year period.

173.6. Within one year following implementation of the project, the department shall The Transportation Agency, in coordination with the department and the Department of the California Highway Patrol, shall annually submit a report to the fiscal and policy committees of the Legislature with jurisdiction over transportation matters. matters with the first report due on or before July 1, 2019, and the final report due on or before July 1, 2024. The report shall include, but not be limited to, all of the following:

(a) The status of implementation of the each agreement, including the number of digital signs placed and the locations of the digital signs placed.

(b) The public safety impacts of the digital signs, including, but not limited to, a comparison of the number of traffic incidents, accidents, injuries, and fatalities on the highways adjacent to a new sign in the five years prior to the placement of each sign and the time period since each sign was erected.

(c) The amount of revenue received, cost savings to the department, and the costs incurred by the department with respect to the each pilot project, including costs incurred prior to the time the department entered into an agreement.

(d) An assessment of the effect the project has pilot projects have had on public safety, emergency notification, traveler information, and motorist safety and awareness campaigns.

(e) A description of the types of advertising content displayed on the digital signs.

(f) A recommendation on whether the pilot projects should be continued along with any recommended changes.

173.8. The provisions of this article are severable. If any provision of this article or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.
On Tuesday (June 26), the California Senate Committee on Transportation and Housing is scheduled to consider a proposal to authorize a pilot project to allow digital billboards with advertising on California highways.

The proposal (AB-1405) calls for 25 digital billboards on highway right of way. If approved by the California Legislature and signed by the governor, the proposal also would require federal approval.

California’s Legislature provides online information about pending bills, including lists of supporters and opponents. Local governments have opposed AB-1405.

The official bill analysis says the sponsor will accept amendments “to prohibit any new billboards from being installed (on highway right of way) where a local jurisdiction has an existing billboard prohibition.”

Here is the posted list of supporters and opponents:

**SUPPORT:**

Associated General Contractors

Building and Construction Trades Council of Alameda County

California Nevada Cement Association

Crime Survivors Resource Center

Greater Los Angeles African American Chamber of Commerce

Intelligent Sign Network

National Center for Victims of Crime

**OUTFRONT Media**

Ron Goldman Foundation for Justice

San Francisco Fire Fighters Local 798

State Building and Construction Trades Council

Board of Equalization Member George Runner

**OPPOSITION:**

**Bulletin Displays, LLC**

California State Association of Counties

City of Baldwin Park

City of Bellflower

City of Buena Park
City of Carson
City of Compton
City of Dixon
City of Eastvale
City of Lynwood
City of Rohnert Park
City of Santa Fe Springs
City of South Gate
City of Thousand Oaks
Coalition to Ban Billboard Blight

**General Outdoor Advertising**

**Lamar Advertising**

League of California Cities

Mayors’ and Councilmembers Association of Sonoma County

**Meadow Outdoor Advertising**

Scenic San Diego

Sonoma County Board of Supervisors

**Stott Outdoor Advertising**

Town of Los Gatos

**Veale Outdoor Advertising**

51 individuals
Insider's take: The bill's proponents are trying to reduce buy off opposition from local governments by allowing local governments a veto on right of way billboards in their jurisdictions. Insider notes that the out of home industry is largely against the bill. The exception is Outfront Media. I wonder who wants to sell the advertising on the California right of way signs?
Meeting Date: July 31, 2018

SUBJECT: Check Registers for May and June 2018

REQUESTED ACTION: Approve the City’s Monthly Check Registers for May and June 2018

CONTACT: Jennifer Erwin, Director of Finance

BACKGROUND/DISCUSSION:

The check registers for the months of May and June 2018 are presented for City Council approval.

BUDGET (or FISCAL) IMPACT: None.

Reviewed by: Jennifer Erwin, Director of Finance

Darren Madkin, Assistant City Manager

Consent Item: X
CALIFORNIA STATE DUMPSTER
GARNISHMENT
25.95

CALIFORNIA STATE DISPOSAL
GARNISHMENT
200.00

CALIFORNIA VETERINARY SPECIALISTS
EMERGENCY EXAM
50.00

CALIFORNIA ENGINEERING INC.
PREDOMINANTLY COUNTERTOP HEAD INJURIES [11/11/1/5/30/15]
6,140.00

CENTS
FIRST 30YD TIP FEE
405.85

CIRCLE OF SAFE T INC
FOREIGN EXAMS 4/2/4/17
1,800.00

CORPORATE PAYMENT SYSTEMS
LABELING/PRINTING FOR ACCEL SOFTWARE
325.00

CORPORATE PAYMENT SYSTEMS
NACO/COCOPOLY PRO DODGABLE HOUSING
883.32

CREATIVE PRINTER
BILLIARDS FOR MARKETING THE GRANGE/ENVIRONMENTAL HANGOUT/GREATROOM
387.96

DO & D SERVICE INC
ANIMAL DISPOSAL SERVICES, APRIL 2018
325.00

DAP/TEED AND SEED INC
SPLIT CRY Keys, SINGLE CUT KEY
4.65

DEERED DISTRIBUTE
TWO KARATS
303.37

THE DURMILL MAN FITNESS EQUIPMENT
404 CLASS OHM FITNESS CENTER
225.00

WESTERN MUNICIPAL WATER DISTRICT
WHOLESALE WATER, APRIL 2018
1,554.00

1,298.00

2,591.40

7,297.93

WHOLESALE WATER, JULY 2018
1,978.80

WHOLESALE WATER, APRIL 2018
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1,395.00

TRANSPORTATION SUPPLIES FOR GROUNDS/IRRIGATION REPAIRS FOR 8/13/13
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GARNISHMENT
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GARNISHMENT
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GARNISHMENT
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GARNISHMENT
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GARNISHMENT
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GARNISHMENT
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GARNISHMENT
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CINTAS
CORPORATE PAYMENTS SYSTEMS INC
CREATIVE PRINTING
DAR'S FEED & SEED INC
DEBERNAUT, LARRY
DIVERSIFIED DISTRIBUTION
EASTERN MUNICIPAL WATER & DRIPIC
EDOARDO INC
EMPLOYMENT SCREENING SERVICES
FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY
FARO INC
GALLODORS TRANSMISSION
GOLDSTAR ASPHALT PRODUCTS
GOMA, INC
GUARDIAND JANITORIAL SERVICE
HAKAJIAN STORABLE CONTAINERS, INC
HEMATIN, BAHAMA
HERNANDEZ LANDCO, INC
HIC, INC
INLAND DESERT SECURITY & COMMUNICATIONS
IPLA-INC
IOS ENTERTAINMENT
JAMROD'S LOCK & KEY
JOHNSON EQUIPMENT CO.
LABRADOR TRAVEL
LEAGUE OF CALIFORNIA CITIES
LEONARDUS
LIFE JITTERS INTERNATIONAL
THE LIGHTHOUSE
LOREZ MARTIN
MAC TOOLS DISRU TOY
MAMMOTH TEMP SERVICES, INC
BRYAN LARGUERITZ
MARTINEZ, MARTINE
MCP CORPORATION
CORKY'S FIRST CALL
PROFESSIONAL PLUMBING SOLUTIONS
RAYARD INC.
RECOVER WORKPLACE SOLUTIONS
ROW TRAFFIC SAFETY, INC
RESQ INC.
SAFETY-KEEF CORPORATION
SCE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
SPARKLETS
SEAFARER
SPARKS LSM STRIPES AWARDS
STATE O F CALIFORNIA
STATE BRO MARKETS
STEVLELEN AIR CONDITIONING
SUNSTATE EQUIPMENT CO
TEAMSTERS LOCAL 911
THE ORIGINAL GODDOS
SPECTRAN BUSINESS
TRU General CONTRACTORS INC
TYLER TECHNOLOGIES, INC
U.S. HEALTH WORKSHOPS
VERIZON WIRELESS
WALTERS WHOLESALE ELECTRIC CO
WEST COAST ARTISTS, INC
WEX CORP.
YOUNGMAPER COMP, INC

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<td>FEDERAL EXPRESS CORP</td>
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<td>FOREST</td>
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<td>13768</td>
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<td>GIRAY, INC</td>
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<td>HARMONIOUS LANDSCAPE CO, INC</td>
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<tr>
<td>13769</td>
<td>06/18/2018</td>
<td>IQSIP</td>
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<td>13770</td>
<td>06/18/2018</td>
<td>IIc ROGERS LOCK &amp; KEY</td>
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<td>I3 Hobbies AND SUPPLY</td>
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<td>06/18/2018</td>
<td>LYNN PICKARD &amp; ASSOCIATED, INC</td>
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<td>KIENNETH MATHERS</td>
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<td>13777</td>
<td>06/18/2018</td>
<td>MILLER ENTERPRISES, INC</td>
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<tr>
<td>13778</td>
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<td>MIN &amp; L PLUMBING</td>
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<td>MAGNIFICENT LOGIC CORPORATION</td>
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<td>13780</td>
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<td>13781</td>
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<td>13782</td>
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<td>13783</td>
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<td>COHDA'S BACKFLOW SYSTEMS</td>
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<tr>
<td>13783</td>
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<td>MOORE OBAMA</td>
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<td>PIRCH &amp; AUSSELL REAL ESTATE</td>
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<td>PERMS UNDO HIGH SCHOOL DIST</td>
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<tr>
<td>13788</td>
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<td>PROAM DIRECT</td>
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<tr>
<td>13788</td>
<td>06/18/2018</td>
<td>PROAM COMPANY</td>
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<td>13790</td>
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<td>RAWCHO VIT KITCH &amp; FEED SUPP</td>
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<td>REMO PIPLINE</td>
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<td>SCE</td>
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<td>13791</td>
<td>06/18/2018</td>
<td>SCE</td>
<td></td>
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<tr>
<td>13795</td>
<td>06/18/2018</td>
<td>SNEEDE LANDSCAPE SUPPLY, LLC</td>
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<tr>
<td>13795</td>
<td>06/18/2018</td>
<td>SOLID RED STUDD</td>
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<td>SPARKLETS</td>
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<td>13798</td>
<td>06/18/2018</td>
<td>STAFFMARK</td>
<td></td>
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<tr>
<td>13798</td>
<td>06/18/2018</td>
<td>STARKY CONVERTIBLE INSECTARY/VC</td>
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<td>13800</td>
<td>06/18/2018</td>
<td>ST LEONARD AIR CONDITIONING</td>
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<tr>
<td>13801</td>
<td>06/18/2018</td>
<td>SUPERIOR llc</td>
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<td>13802</td>
<td>06/18/2018</td>
<td>TERRAFLAVINN</td>
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<td>13802</td>
<td>06/18/2018</td>
<td>COUNTY OF O VERSE</td>
<td></td>
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<tr>
<td>13804</td>
<td>06/18/2018</td>
<td>UNITED SODA WATER, INC</td>
<td></td>
<td></td>
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<tr>
<td>13805</td>
<td>06/18/2018</td>
<td>VARGAS, MICHAEL</td>
<td></td>
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<tr>
<td>13806</td>
<td>06/18/2018</td>
<td>VERDON WIL</td>
<td></td>
<td></td>
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<tr>
<td>13808</td>
<td>06/18/2018</td>
<td>WEST COAST AIRPORTS, INC</td>
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<tr>
<td>13808</td>
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<td>WESTERN RIVERSIDE COUNTY ASHOP</td>
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<tr>
<td>13809</td>
<td>06/19/2018</td>
<td>WESTERN RIVERSIDE COUNTY-OF-GOVERNMENTS</td>
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<td>13810</td>
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<td>BRANDI WILLIAMS</td>
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<td>13813</td>
<td>06/19/2018</td>
<td>K MAEBER ESTEVA</td>
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<td>13813</td>
<td>06/19/2018</td>
<td>NAMAS FRITO</td>
<td></td>
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<tr>
<td>13815</td>
<td>06/19/2018</td>
<td>S &amp; S THROTTLE</td>
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<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,493,707.32</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CV NUMBER** | **DATE ISSUED** | **VENUES** | **DESCRIPTION** | **AMOUNT** | **TOTAL REGISTER** | **4,793,707.32** |
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date July 31, 2018

SUBJECT: Annexation of Tracts 36988, 36989, and 37262 to the City’s Maintenance Districts

REQUESTED ACTION:
Open and Close of Public Hearing, Open 12 Ballots and Adoption of 3 Resolutions Ordering the Annexation of Tracts 36988, 36989, and 37262 to the City’s Maintenance Districts, Giving Final Approval to the Engineer’s Reports, and the Levying of the 2018-2019 Assessments

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION: Tracts 36988, 36989, and 37262 are within the Green Valley Specific Plan and consist of 512 dwelling units (DU). In general, these tracts are located between Goetz Road on the west, Murrieta Road on the east, Green Valley Parkway on the north and Ethanac Road on the south. Ownership of the properties include Green Valley Recovery Acquisition, LLC, KB Home Coastal, LLC and Eastern Municipal Water District.

On May 29, 2018, resolutions were approved stating the City Council’s intention to annex this project into the City’s maintenance districts and set a Public Hearing for July 31, 2018. After the close of the Public Hearing, assessment ballots are to be opened by the City Clerk. Each ballot is weighed by the property owner’s share of the dwelling units in the respective benefit zone, by maintenance district.

Under Maintenance District 84-1 and Landscape Maintenance District No.1, all dwelling units are assessed under a single benefit zone. Four ballots, one for each owner within each tract, will be opened for these districts, with the respective owners, as listed, representing a total of 0.4%, 71.3% and 28.3% of the vote.

Under Flood Control Maintenance District, No. 1, due to the specific benefit attained, each tract has been assigned a separate benefit zone. Four ballots are to be opened, with a single owner for Tracts 36989 and 37262 and two owners for Tract 36988.

The following summarizes the percentage of ownership, based on total dwelling units and by tract.

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Total</th>
<th>Tract 36988</th>
<th></th>
<th>Tract 36989</th>
<th></th>
<th>Tract 37262</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DU</td>
<td>Percent</td>
<td>DU</td>
<td>Percent</td>
<td>DU</td>
<td>Percent</td>
<td>DU</td>
</tr>
<tr>
<td>Eastern Municipal Water District</td>
<td>2</td>
<td>0.4%</td>
<td>2</td>
<td>1%</td>
<td>2</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Green Valley Recovery Acquisition, LLC</td>
<td>167</td>
<td>32.6%</td>
<td>167</td>
<td>99%</td>
<td>198</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Green Valley Recovery Acquisition, LLC</td>
<td>198</td>
<td>38.7%</td>
<td>198</td>
<td>100%</td>
<td>198</td>
<td>100%</td>
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</tr>
<tr>
<td>Total Green Valley Recovery Acq. LLC</td>
<td>365</td>
<td>71.3%</td>
<td>365</td>
<td>100%</td>
<td>365</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>KB Home Coastal, LLC</td>
<td>145</td>
<td>28.3%</td>
<td>145</td>
<td>100%</td>
<td>145</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>512</td>
<td>100.0%</td>
<td>169</td>
<td>100%</td>
<td>145</td>
<td>100%</td>
<td>198</td>
</tr>
</tbody>
</table>
BUDGET (or FISCAL) IMPACT: The proposed maximum annual assessments are subject to Standard Inflation Factors for labor, energy and water. The current maximum annual assessments, by district, and tract, per dwelling unit, are as follows:

<table>
<thead>
<tr>
<th>Maintenance District</th>
<th>Tract 36988</th>
<th>Tract 36989</th>
<th>Tract 37262</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance District No. 84-1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Lights and Traffic Signals</td>
<td>$46.28</td>
<td>$46.28</td>
<td>$46.28</td>
</tr>
<tr>
<td>Landscape Maintenance District No. 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscaped Parkways and Medians</td>
<td>463.28</td>
<td>463.28</td>
<td>463.28</td>
</tr>
<tr>
<td>Landscaped Parks, Trails and Swales</td>
<td>152.00</td>
<td>152.00</td>
<td>152.00</td>
</tr>
<tr>
<td>Flood Control Maintenance District No. 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basins and Storm Drain Facilities</td>
<td>295.56</td>
<td>308.90</td>
<td>368.70</td>
</tr>
<tr>
<td>Street Maintenance</td>
<td>507.06</td>
<td>502.14</td>
<td>506.84</td>
</tr>
<tr>
<td>Total Maximum Annual Assessment Per DU</td>
<td>$1,464.18</td>
<td>$1,472.60</td>
<td>$1,537.10</td>
</tr>
</tbody>
</table>

Reviewed by:
Assistant City Manager
Director of Finance
City Attorney

Attachments:
1. Location Map
2. Resolution Ordering the Annexation of Tracts 36988, 36989, and 37262 to MD 84-1, Giving Final Approval to the Engineer’s Report, and the Levying of the 2018-2019 Assessments.
3. Resolution Ordering the Annexation of Tracts 36988, 36989, and 37262 to LMD 1, Giving Final Approval to the Engineer’s Report, and the Levying of the 2018-2019 Assessments.
4. Resolution Ordering the Annexation of Tracts 36988, 36989, and 37262 to FCMD 1, Giving Final Approval to the Engineer’s Report, and the Levying of the 2018-2019 Assessments.

Public Hearing:
# Annexation of Tracts 36988, 36989, & 37262 to City of Perris Maintenance District No. 84-1, Landscape Maintenance District No. 1, and Flood Control Maintenance District No. 1

## Vicinity Map

![Vicinity Map](image)

**NOT TO SCALE**

## 512 Dwelling Units

### MD 84-1

- **222 Street Lights**
  - Contributions toward traffic signals at the following intersections:
    - Ethanac Road and Goetz Road: 25%
    - Ethanac Road and Murrieta Road: 100%
    - Goetz Road and West Elm Parkway: 50%
    - Green Valley Parkway and Murrieta Road: 50%

### LMD 1

- Full and partial landscaped improvements to:
  - Ethanac Road north parkways and medians, from Goetz Road to Murrieta Road
  - Goetz Road east parkways and medians, from Ethanac Road to the NW corner of Tract 37262
  - Green Valley Parkway parkways and medians, from northeast corner of Tract 37262 to Murrieta Road
  - Murrieta Road parkways and medians, from Green Valley Parkway to Ethanac Road
  - West Elm Parkway, parkways and medians, from Goetz Road to Green Valley Parkway

- Landscaped parks, trails and swales as set forth in the Green Valley Specific Plan

### FCMD 1

- Public flood control facilities including 3 water quality basins (9.5 acres), 4.6 miles of 18- to 48-inch reinforced concrete pipes, inlets, outlets, Green Valley Parkway bridge crossing over the Romoland Channel, culverts under Ethanac Road, and appurtenances that collects, channels and contains the storm drain flow. Street maintenance of West Elm Parkway from Goetz Road to Green Valley Parkway, of Green Valley Parkway from the NE corner of Tract 37262 to Murrieta Road, and of interior streets within the tracts.

### Assessment Table

<table>
<thead>
<tr>
<th>Facility</th>
<th>Annual Maximum Assessment Tract 36988</th>
<th>Tract 36989</th>
<th>Tract 37262</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Lights and Traffic Signals</td>
<td>$46.28</td>
<td>$46.28</td>
<td>$46.28</td>
</tr>
<tr>
<td>Landscaped Parkways &amp; Medians</td>
<td>463.28</td>
<td>463.28</td>
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<tr>
<td>Landscaped Parks, Trails and Swales</td>
<td>152.00</td>
<td>152.00</td>
<td>152.00</td>
</tr>
<tr>
<td>Basins and Storm Drain Facilities</td>
<td>295.56</td>
<td>308.90</td>
<td>368.70</td>
</tr>
<tr>
<td>Street Maintenance</td>
<td>507.06</td>
<td>502.14</td>
<td>506.84</td>
</tr>
</tbody>
</table>

**Total Maximum Annual Assessments**

- Tract 36988: $1,464.18
- Tract 36989: $1,472.60
- Tract 37262: $1,537.10

---

**Standard Inflation Factors (SIF)**

1. "Common Labor, Construction Cost Index", ENR
2. Southern California Edison rate increases
3. Eastern Municipal Water District rate increases

**MD 84-1 Assessments include SIF 1 and 2**

**LMD 1 and FCMD 1 Assessments include SIF 1, 2, and 3**
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF TRACTS 36988, 36989, AND 37262 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5283 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Maintenance District Number 84-1 (the "District"), which Resolution of Intention Number 5283 was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Resolution of Intention on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5283, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.

NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5283, be done and made.
Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Maintenance District No. 84-1 and the annexation thereto, is 68-2651.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide for the energy and maintenance of streetlights and traffic signals that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. That pursuant to Sections 22640 and 22641 of the Code, the City Clerk shall file a certified copy of the diagram and assessment with the Riverside County Auditor-Controller not later than the third Monday in August.

Section 5. Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.

ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

_______________________________
Mayor, Michael M. Vargas

ATTEST:

_______________________________
City Clerk, Nancy Salazar
STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ___ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
City Clerk, Nancy Salazar
RESOLUTION NUMBER


WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5286 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Landscape Maintenance District Number 1 (the "District"), which Resolution of Intention Number 5286 was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Resolution of Intention on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5286, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.

NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5286, be done and made.
Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Landscape Maintenance District No. 1 and the annexation thereto, is 68-2652.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide landscape maintenance on those lands that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. That pursuant to Sections 22640 and 22641 of the Code, the City Clerk shall file a certified copy of the diagram and assessment with the Riverside County Auditor-Controller not later than the third Monday in August.

Section 5. Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.

ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar
STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar
RESOLUTION NUMBER


WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5287 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Flood Control Maintenance District Number 1 (the "District"), and which a Notice of Public Hearing was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Notice on file in the office of the City Clerk; and

WHEREAS, after the adoption of Resolution Number 5287, said Resolution was duly posted in the time, form and manner as required by law, shown by the Affidavit of Posting on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5287, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.
NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5287, be done and made.

Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Flood Control Maintenance District No. 1 and the annexation thereto, is 68-2657.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide flood control facility maintenance on those lands that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.
RESOLUTION NUMBER

ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

Mayor, Michael M. Vargas

ATTEST:

______________________________
City Clerk, Nancy Salazar

STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
City Clerk, Nancy Salazar
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date July 31, 2018

SUBJECT: Annexation of Parcel Map 37187 to the City’s Maintenance Districts

REQUESTED ACTION:
Open and Close of Public Hearing, Open 3 Ballots and Adoption of 3 Resolutions Ordering the Annexation of Parcel Map 37187 to the City’s Maintenance Districts, Giving Final Approval to the Engineer’s Reports, and the Levying of the 2018-2019 Assessments

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION: Parcel Map 37187 is a 30.75-acre industrial project under the ownership of Duke Realty Limited Partnership. Indian Avenue is located along the project’s west boundary, Markham Street is located along the project’s north boundary, Barrett Avenue is located along the project’s east boundary, and Perry Street is located along the project’s south boundary.

On May 29, 2018, resolutions were approved stating the City Council’s intention to annex this project into the City’s maintenance districts and set a Public Hearing for July 31, 2018.

BUDGET (or FISCAL) IMPACT: The proposed maximum annual assessments are subject to Standard Inflation Factors for labor, energy and water. The current maximum annual assessments, by district, are as follows:

<table>
<thead>
<tr>
<th>Maintenance District</th>
<th>Maximum Annual Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance District No. 84-1 (streetlights &amp; traffic signals)</td>
<td>$5,977.06</td>
</tr>
<tr>
<td>Landscape Maintenance District</td>
<td></td>
</tr>
<tr>
<td>Landscape Parkways</td>
<td>23,636.35</td>
</tr>
<tr>
<td>Landscape Medians</td>
<td>5,047.86</td>
</tr>
<tr>
<td>Flood Control Maintenance District 1</td>
<td>4,798.23</td>
</tr>
<tr>
<td>Total Maximum Annual Assessment</td>
<td>$39,459.50</td>
</tr>
</tbody>
</table>

Reviewed by:
Assistant City Manager
Director of Finance
City Attorney

Attachments:
1. Location Map
2. Resolution Ordering the Annexation of Parcel Map 37187 to MD 84-1, Giving Final Approval to the Engineer’s Report, and the Levying of the 2018-2019 Assessments.

Public Hearing:
ANNEXATION OF PM 37187 TO CITY OF PERRIS MAINTENANCE DISTRICT NO. 84-1, LANDSCAPE MAINTENANCE DISTRICT NO. 1, AND FLOOD CONTROL MAINTENANCE DISTRICT NO. 1

30.75 - ACRE SITE

**MD 84-1**

14 Street Lights

Contributions toward traffic signals at the following intersections:
- Indian Avenue and Gibraltar Avenue: 50%
- Indian Avenue and Harley Knox Boulevard: 10%
- Indian Avenue and Markham Street: 10%

**LMD 1**

East half of Indian Avenue medians between Markham Street and Perry Street
Markham Street parkways along the north boundary
Perry Street parkways along the south boundary
Indian Avenue parkways along the southwesterly boundary

**FCMD 1**

Public flood control facilities including catch basins, 18-, 24- and 36-inch reinforced concrete pipes, a 5% contribution towards the earthen channel and facilities along the north side of Ramona Expressway extending from Indian Avenue to the Perris Valley Storm Drain Channel, and appurtenances.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Annual Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Lights and Traffic Signals</td>
<td>$5,977.06</td>
</tr>
<tr>
<td>Landscaped Parkways</td>
<td>$23,636.35</td>
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<tr>
<td>Landscaped Medians</td>
<td>$5,047.86</td>
</tr>
<tr>
<td>Flood Control Facilities</td>
<td>$4,798.23</td>
</tr>
<tr>
<td><strong>Total Annual Assessments</strong></td>
<td><strong>$39,459.50</strong></td>
</tr>
</tbody>
</table>

Standard Inflation Factors (SIF)
1) "Common Labor, Construction Cost Index", ENR
2) Southern California Edison rate increases
3) Eastern Municipal Water District rate increases

MD 84-1 Assessments include SIF 1 and 2
LMD 1 and FCMD 1 Assessments include SIF 1, 2, and 3
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 37187 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5290 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Maintenance District Number 84-1 (the "District"), which Resolution of Intention Number 5290 was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Resolution of Intention on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5290, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.

NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5290, be done and made.
Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Maintenance District No. 84-1 and the annexation thereto, is 68-2651.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide for the energy and maintenance of streetlights and traffic signals that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. That pursuant to Sections 22640 and 22641 of the Code, the City Clerk shall file a certified copy of the diagram and assessment with the Riverside County Auditor-Controller not later than the third Monday in August.

Section 5. Be it finally resolved that the method of assessment in the Engineer's Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.

ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

ATTEST:

Mayor, Michael M. Vargas

City Clerk, Nancy Salazar
STATE OF CALIFORNIA  )  
COUNTY OF RIVERSIDE  ) §  
CITY OF PERRIS  )  

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
City Clerk, Nancy Salazar
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 37187 TO BENEFIT ZONE 134, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5293 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Landscape Maintenance District Number 1 (the "District"), which Resolution of Intention Number 5293 was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Resolution of Intention on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5293, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.

NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5293, be done and made.
RESOLUTION NUMBER

Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Landscape Maintenance District No. 1 and the annexation thereto, is 68-2652.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide landscape maintenance on those lands that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. That pursuant to Sections 22640 and 22641 of the Code, the City Clerk shall file a certified copy of the diagram and assessment with the Riverside County Auditor-Controller not later than the third Monday in August.

Section 5. Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.

ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

__________________________
Mayor, Michael M. Vargas

ATTEST:

__________________________
City Clerk, Nancy Salazar
RESOLUTION NUMBER

STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE ) §
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ___ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
City Clerk, Nancy Salazar
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF PARCEL MAP 37187 TO BENEFIT ZONE 103, CITY OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5294 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Flood Control Maintenance District Number 1 (the "District"), and which a Notice of Public Hearing was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Notice on file in the office of the City Clerk; and

WHEREAS, after the adoption of Resolution Number 5294, said Resolution was duly posted in the time, form and manner as required by law, shown by the Affidavit of Posting on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5294, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.
NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and
APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to
the district and levying assessments for maintenance, and said City Council hereby orders that the
work, as set forth and described in said Resolution of Intention Number 5294, be done and made.

Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Flood Control
Maintenance District No. 1 and the annexation thereto, is 68-2657.

B. The assessments are in compliance with all laws pertaining to the levy of
assessments in accordance with Section 53750 et seq. of the State of
California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of
assessments in accordance with Section 22500 et seq. of the State of
California Streets and Highways Code Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide flood control facility
maintenance on those lands that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved;
and

Section 4. Be it finally resolved that the method of assessment in the
Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby
levied.
ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk, Nancy Salazar
Meeting Date July 31, 2018

SUBJECT: Annexation of DPR 06-0059 to the City’s Maintenance Districts

REQUESTED ACTION:
Open and Close of Public Hearing, Open 3 Ballots and Adoption of 3 Resolutions Ordering the Annexation of DPR 06-0059 to the City’s Maintenance Districts, Giving Final Approval to the Engineer’s Reports, and the Levyng of the 2018-2019 Assessments

CONTACT: Habib Motlagh, City Engineer

BACKGROUND/DISCUSSION: DPR 06-0059 is a 9.09-acre industrial project under the ownership of Interinsurance Exchange of the Automobile Club. Harley Knox Boulevard is located along the project’s north boundary, Nance Street is located along the project’s south boundary and Indian Avenue is located approximately 520 lineal feet to the east.

On May 29, 2018, resolutions were approved stating the City Council’s intention to annex this project into the City’s maintenance districts and set a Public Hearing for July 31, 2018.

BUDGET (or FISCAL) IMPACT: The proposed maximum annual assessments are subject to Standard Inflation Factors for labor, energy and water. The current maximum annual assessments, by district, are as follows:

<table>
<thead>
<tr>
<th>Maintenance District</th>
<th>Maximum Annual Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance District No. 84-1 (streetlights &amp; traffic signals)</td>
<td>$1,766.88</td>
</tr>
<tr>
<td>Landscape Maintenance District</td>
<td></td>
</tr>
<tr>
<td>Landscape Parkways</td>
<td>50,171.27</td>
</tr>
<tr>
<td>Landscape Medians</td>
<td>3,131.35</td>
</tr>
<tr>
<td>Flood Control Maintenance District 1</td>
<td>5,157.00</td>
</tr>
<tr>
<td>Total Maximum Annual Assessment</td>
<td>$60,226.50</td>
</tr>
</tbody>
</table>

Reviewed by:
Assistant City Manager
Director of Finance
City Attorney

Attachments:
1. Location Map
2. Resolution Ordering the Annexation of DPR 06-0059 to MD 84-1, Giving Final Approval to the Engineer’s Report, and the Levyng of the 2018-2019 Assessments.

Public Hearing:
ANNEXATION OF DPR 06-0059 TO CITY OF PERRIS MAINTENANCE DISTRICT NO. 84-1, LANDSCAPE MAINTENANCE DISTRICT NO. 1, AND FLOOD CONTROL MAINTENANCE DISTRICT NO. 1

9.09 - ACRE SITE

MD 84-1

8 Street Lights

Contribution towards traffic signals at the intersection of: Webster Avenue and Nance Street 5%

LMD 1

Harley Knox Boulevard medians parallel to the north boundary

Harley Knox Boulevard parkways and infiltration basins parallel to the north boundary

Nance Street parkways and infiltration basins parallel to the south boundary

Detention basin located in the southwest corner of the project and adjacent to the above-noted Nance Street parkways and infiltration basins

FCMD 1

Public flood control facilities including catch basin, outlet under sidewalk drain, dike, and 12-, 24-, and 72-inch reinforced concrete pipes and appurtenances that convey the storm flow to the Perris Valley Storm Drain Channel.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Annual Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Lights and Traffic Signals</td>
<td>$1,766.88</td>
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</tr>
<tr>
<td><strong>Total Annual Assessments</strong></td>
<td><strong>$60,226.50</strong></td>
</tr>
</tbody>
</table>

Standard Inflation Factors (SIF)
1) "Common Labor, Construction Cost Index", ENR
2) Southern California Edison rate increases
3) Eastern Municipal Water District rate increases

MD 84-1 Assessments include SIF 1 and 2
LMD 1 and FCMD 1 Assessments include SIF 1, 2, and 3
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF DPR 06-0059 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5276 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Maintenance District Number 84-1 (the "District"), which Resolution of Intention Number 5276 was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Resolution of Intention on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5276, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.

NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5276, be done and made.
Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Maintenance District No. 84-1 and the annexation thereto, is 68-2651.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide for the energy and maintenance of streetlights and traffic signals that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. That pursuant to Sections 22640 and 22641 of the Code, the City Clerk shall file a certified copy of the diagram and assessment with the Riverside County Auditor-Controller not later than the third Monday in August.

Section 5. Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.

ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

____________________
Mayor, Michael M. Vargas

ATTEST:

____________________
City Clerk, Nancy Salazar
STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY
CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the
City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the
following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
City Clerk, Nancy Salazar
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF DPR 06-0059 TO BENEFIT ZONE 133, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER'S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California ("the City Council") did on the 29th day of May 2018, adopt its Resolution of Intention Number 5279 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Landscape Maintenance District Number 1 (the "District"), which Resolution of Intention Number 5279 was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Resolution of Intention on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5279, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.

NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5279, be done and made.
*Section 2.* Be it further resolved that:

A. The Riverside County assigned fund number for the Landscape Maintenance District No. 1 and the annexation thereto, is 68-2652.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide landscape maintenance on those lands that will benefit the parcels being assessed.

*Section 3.* That the report filed by the Engineer is hereby finally approved; and

*Section 4.* That pursuant to Sections 22640 and 22641 of the Code, the City Clerk shall file a certified copy of the diagram and assessment with the Riverside County Auditor-Controller not later than the third Monday in August.

*Section 5.* Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.

**ADOPTED, SIGNED** and **APPROVED** this 31st day of July 2018.

______________________________
Mayor, Michael M. Vargas

ATTEST:

______________________________
City Clerk, Nancy Salazar
I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________
City Clerk, Nancy Salazar
RESOLUTION NUMBER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ORDERING THE WORK IN CONNECTION WITH ANNEXATION OF DPR 06-0059 TO BENEFIT ZONE 102, CITY OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, GIVING FINAL APPROVAL OF THE ENGINEER’S REPORT, AND LEVYING THE ASSESSMENT FOR FISCAL YEAR 2018-2019

WHEREAS, the City Council of the City of Perris, County of Riverside, California (“the City Council”) did on the 29th day of May 2018, adopt its Resolution of Intention Number 5280 to order the therein described work in connection with the annexation and assessment procedures in the City of Perris Flood Control Maintenance District Number 1 (the “District”), and which a Notice of Public Hearing was duly and legally published in the time, form and manner as required by law, shown by the Affidavit of Publication of said Notice on file in the office of the City Clerk; and

WHEREAS, after the adoption of Resolution Number 5280, said Resolution was duly posted in the time, form and manner as required by law, shown by the Affidavit of Posting on file in the office of the City Clerk; and

WHEREAS, after the adoption thereof, notice of the adoption of the Resolution of Intention, a Notice of Public Hearing and an Assessment Ballot were duly mailed to all persons owning real property proposed to be assessed for the improvements described in said Resolution of Intention Number 5280, according to the names and addresses of such owners as the same appears on the last equalized assessment roll for taxes of the County of Riverside or more recent information available to the City of Perris, which said documents were duly mailed in the time, form, and manner as required by law, as appears from the Affidavit of Mailing on file in the office of the City Clerk; and

WHEREAS, said City Council having duly received and considered evidence, oral and documentary, concerning the jurisdiction facts in this proceedings and concerning the necessity for the contemplated work and the benefits to be derived therefrom and said City Council having now acquired jurisdiction to order the proposed maintenance work; and

WHEREAS, said City Council has determined that a majority protest does not exist.
NOW, THEREFORE, BE IT RESOLVED, ADOPTED, SIGNED and APPROVED by the City Council of the City of Perris, California, as follows:

Section 1. That the public interest and convenience requires the annexation to the district and levying assessments for maintenance, and said City Council hereby orders that the work, as set forth and described in said Resolution of Intention Number 5280, be done and made.

Section 2. Be it further resolved that:

A. The Riverside County assigned fund number for the Flood Control Maintenance District No. 1 and the annexation thereto, is 68-2657.

B. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 53750 et seq. of the State of California Government Code.

C. The assessments are in compliance with all laws pertaining to the levy of assessments in accordance with Section 22500 et seq. of the State of California Streets and Highways Code.

D. The assessments are levied without regard to the property value.

E. The purpose of the assessments is to provide flood control facility maintenance on those lands that will benefit the parcels being assessed.

Section 3. That the report filed by the Engineer is hereby finally approved; and

Section 4. Be it finally resolved that the method of assessment in the Engineer’s Report is hereby approved and the assessments for Fiscal Year 2018-2019 are hereby levied.
ADOPTED, SIGNED and APPROVED this 31st day of July 2018.

__________________________
Mayor, Michael M. Vargas

ATTEST:

__________________________
City Clerk, Nancy Salazar

STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS          )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
City Clerk, Nancy Salazar
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT:
Annexation of Parcel into CFD 1-S (South Perris Public Services District) – Annexation No. 7

Project: Green Valley
Owner(s): Eastern Municipal Water District, KB Home Coastal, LLC, and Green Valley Recovery Acquisition, LLC

REQUESTED ACTION:

1.) Open a public hearing on Annexation No. 7 to CFD 1-S and determine if there are any protests to the Annexation.

2.) Adopt a Resolution of the City Council of the City of Perris, acting as the Legislative Body, of Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Calling a Special Election, to submit to Qualified Electors, within Proposed Annexation No. 7 the question of annexing such territory and levying of a Special Tax within the area of Proposed Annexation No. 7.

3.) Conduct the Special Election relating to Annexation No. 7.

4.) Adopt a Resolution of the City Council of the City of Perris, acting as the Legislative Body of the Community Facilities Districts No. 1-S (South Perris Public Services) of the City of Perris, Declaring the results of the Special Election relating to Annexation No. 7, and Ordering the Annexation of such territory, and directing the Recording of a Notice of Special Tax Lien.

CONTACT: Jennifer Erwin, Finance Director

BACKGROUND/DISCUSSION:

At its meeting on June 12, 2018, the City Council of the City of Perris (the “City Council”), acting as Legislative Body of Community Facilities District No. 1-S (South Perris Public Services) (the “District”), adopted Resolution No. 5305 (“Resolution of Intention”), Declaring its Intention to Annex Certain Territory to the District and setting the date of the public hearing to July 31, 2018 as the date for conducting the hearing in connection with the annexation of territory to the District.

These actions were taken, as required by law, pursuant to a petition submitted to the sole property owner (the “Owner”) of the territory proposed for annexation to the District. The Owner, pursuant to the petition submitted concurrently with the Resolution of Intention, submitted a waiver concurrently herewith, waiving certain time periods and noticing requirements required by the Mello-Roos Community Facilities Act of 1982 (“the Act”) and the Elections Code of the State of California.

The holding of the Public Hearing and adopting of the resolutions submitted with this report and the conduct of this election will complete the annexation of territory to the District. The property owner has waived notice and the time period for conducting the election pursuant to the Act. The Clerk has not received any written protests prior to the hearing.
BUDGET / FISCAL IMPACT:

The Annexation of territory into the District increases the tax base to fund the public services to be provided to the residents and businesses within the District. The levy of the Special Tax will begin in the fiscal year for which a building permit was issued prior to March 1st of the previous fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

City Attorney:
Asst. City Manager:
Director of Finance:

Public Hearing: July 31, 2018
Resolution No. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES) OF THE CITY OF PERRIS, CALLING A SPECIAL ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS WITHIN PROPOSED ANNEXATION NO. 7 THE QUESTION OF ANNEXING SUCH TERRITORY AND LEVYING OF A SPECIAL TAX WITHIN THE AREA OF PROPOSED ANNEXATION NO. 7

WHEREAS, the City Council (the "Council") of the City of Perris, California (the "City"), acting in its capacity as the legislative body (the "Legislative Body") of the Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris (the "District"), on June 12, 2018, has heretofore adopted its Resolution No. 5305 (the "Resolution of Intention") stating its intention to annex certain territory (the "Property") as described therein to the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, and specifically Article 3.5 thereof, and calling a public hearing on the question of the proposed annexation of the Property to the District, including the levying of a special tax on the Property and all other matters as set forth in the Resolution of Intention; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory proposed for annexation to the District, stating the public services to be provided in and for the Property and a plan setting forth sharing of such services provided in common with the existing District, and specifying the special taxes to be levied within the Property and any alteration in the Rate and Method of Apportionment (as defined therein and incorporated herein by this reference) is on file with the City Clerk of the City; and

WHEREAS, the Resolution of Intention set July 31, 2018 as the date of the public hearing and to consider the question of the proposed annexation of the Property to the District, including the levying of a special tax on the Property and all other matters set forth in the Resolution of Intention and this Council held said public hearing as required by law; and

WHEREAS, notice of the public hearing was duly given as required by Section 53339.4 of the Act or has been duly waived by the property owner; and

WHEREAS, the public hearing was held on July 31, 2018; and

WHEREAS, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the annexation of the Property to the District, the levy of the special tax on the Property, and all other matters as set forth in the Resolution of Intention were heard and a full and fair hearing was held; and
Resolution No. ________  Page 2

WHEREAS, at the public hearing evidence was presented to the Legislative Body on the matters before it, and the Legislative Body at the conclusion of the hearing is fully advised as to all matters relating to the proposed annexation of the Property to the District, including the levy of the special tax on the Property; and

WHEREAS, it has now been determined that written protests have not been received by registered voters and/or property owners representing more than one-half (1/2) of the area of land proposed to be annexed to the District or within the original District; and

WHEREAS, there were not at least twelve (12) registered voters residing within the territory proposed to be annexed to the District during each of the ninety (90) days preceding the closing of the July 31, 2018 public hearing; and

WHEREAS, on the basis of the foregoing, the Legislative Body has determined at this time to proceed with the annexation of the Property to the District, and to call an election therein to authorize such annexation, including the levy of the special tax therein (as such tax is more particularly described in the Resolution of Intention) to pay for the public services proposed to be financed by the District;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Perris, acting in its capacity as the Legislative Body of Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, California, as follows:

Section 1. That the above recitals are all true and correct.

Section 2. Written protests against the annexation of the Property to the District, or against the furnishing of specified services or the levying of a specified special tax within the District, have not been filed by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the boundaries of the proposed annexation or within the existing District, nor by owners representing one-half (1/2) or more of the area of land proposed to be annexed to the District or of the existing District. All protests and objections, if any, are hereby overruled.

Section 3. The Legislative Body does declare the annexation of the Property to the existing District, to be known and designated as “Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7.” The Legislative Body hereby finds and determines that all prior proceedings taken with respect to the annexation of the Property to the District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1 of the Act.

Section 4. The boundaries and parcels of land to be annexed and in which the public services are to be provided and on which the special taxes will be levied in order to pay the costs and expenses for said public services are generally described as all
that territory proposed to be annexed to the existing District is shown on a map as previously approved by the Legislative Body, said map designated "Annexation Map No. 7 to Community Facilities District No. 1-S, (South Perris Public Services)," a copy of which is on file in the office of the City Clerk and shall remain open for public inspection. The map of the proposed boundaries of Annexation No. 7 to the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 82, Page 63 of the Book of Maps of Assessments and Community Facilities Districts (Document Number 2018-0249444).

Section 5. The Council finds that the Services, generally described as fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto, as set forth in Exhibit "B" hereto, are necessary to meet the increased demand put upon the City as a result of the development within the District.

Section 6. Except where funds are otherwise available, a special tax is hereby authorized, subject to the approval of the landowners as the eligible electors of the District, to levy annually in accordance with procedures contained in the Act, a special tax within the District, secured by recordation of a continuing lien against all nonexempt real property in the District, sufficient to pay for the Services and Incidental Expenses. The rate and method of apportionment and manner of collection of the special tax within the District is described in detail in Exhibit "A" attached hereto and incorporated herein by this reference. Exhibit "A" allows each landowner within the District to estimate the maximum amount that may be levied against each parcel.

Section 7. The Rate and Method of Apportionment of the special tax is based on the expected demand that each parcel of real property within the District will place on the Services, on the cost of making the Services available to each parcel within the Property, and on other factors. The Council hereby determines the rate and method of apportionment of the special tax set forth in Exhibit "A" to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within Community Facilities District No. 1-S shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Exhibit "A," the Council shall, on behalf of Community Facilities District No. 1-S, cause the levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibit "A," to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the special tax revenues required for the purposes described herein. The obligation to pay special taxes may be prepaid as set forth in Exhibit "A." Upon recordation of a notice of special tax lien pursuant to Streets and Highways Code Section 3114.5, continuing lien to secure each levy of the special tax will attach to all nonexempt parcels within the Property and the lien shall continue in force and effect until the special tax obligation is
permanently satisfied and the lien canceled in accordance with the law or until collection of the special tax by the Legislative Body ceases.

Section 8. Pursuant to Section 53325.7 and 53326 of the Act, a special election is hereby called on behalf of the District on the proposition of levying the special tax on the territory within Annexation No. 7 to the District and establishing an appropriations limit therein. The proposition relating to the District authorizing the levy of the special tax on the Property and establishing an appropriations limit shall be substantially in the form attached hereto as Exhibit "C."

Section 9. The special election for the District on the proposition of authorizing the levy of the special tax on the Property and establishing an appropriations limit shall be held on July 31, 2018.

Section 10. It is hereby found that there were not at least twelve (12) registered voters that resided within the territory of the proposed Annexation No. 7 during each of the ninety (90) days preceding the closing of the July 31, 2018 public hearing regarding the levy of the special tax on the territory within Annexation No. 7 and establishing an appropriations limit therein and, pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed by personal service, or by mail, with return postage prepaid, by the Election Official, to the landowners of record within the District as of the close of the public hearing. Each landowner shall have one (1) vote for each acre or portion thereof that he or she owns within the District, as provided in Section 53326 of the Act and may return the ballot by mail or in person to the Election Official not later than 6:30 p.m. on July 31, 2018, or 6:30 p.m. on another election day mutually agreed to by the Election Official and the landowners. In accordance with Section 53326(d) of the Act, the election shall be closed and the results certified by the Election Official as soon as all qualified electors have voted.

Section 11. If two-thirds (2/3) of the votes cast upon the question of levying such special tax and establishing such appropriations limit are cast in favor of levying such special tax within the District as determined by the Legislative Body after the canvass of the returns of such election, the Legislative Body may levy such special tax within the District under the Act in the amount and for the purposes as specified in this Resolution. Such special tax may be levied only at the rate and may be apportioned only in the manner specified in this Resolution, subject to the Act, except that the special tax may be levied at a rate lower than that specified herein and the maximum annual tax rate may be lowered. Such special tax may be levied so long as it is needed to pay for the financing of the services.

Section 12. If special taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time except that it may be increased by an amount not to exceed two percent (2.00%) per year to the extent permitted in the rate and method of apportionment; (ii) such tax shall be levied in perpetuity, as further described in Exhibit "A" hereto; and (iii) under no circumstances will such special tax be increased more than ten percent (10%)
as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent.

Section 13. In the event that a portion of the property in the District shall become for any reason exempt, wholly or partially, from the levy of the special tax specified in Exhibit "A" the Council shall, on behalf of the District, increase the levy to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the required payments, subject to the maximum tax.

Section 14. The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed District for the exclusive purpose of financing the provision of the same services to the territory of the District as provided by the Services.

Section 15. An appropriations limit for the District is hereby established as an amount equal to all the proceeds of the special tax collected annually and as defined by Article XIIIIB of the California Constitution, as adjusted for changes in the cost of living and changes in population.

Section 16. The Elections Official shall cause to be published once in a newspaper of general circulation the text of Proposition A, along with a description of the election proceedings. The publication shall also state that only the qualified electors in the District may vote on the proposition and that the canvass of the election will take place in the office of the City Clerk following the close of the election. Pursuant to the petition and request, the publication of such notice has been waived by the property owner.

Section 17. The District shall constitute a single election pursuant for the purpose of holding said election. Following the close of the election, the election shall be canvassed at the office of the City Clerk, 101 North "D" Street, Perris, California 92570.

Section 18. The Office of the City Manager, 101 North "D" Street, Perris, California 92570, (909) 943-6100, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.2 of the Government Code.

Section 19. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Legislative Body hereby establishes the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 6 above:
A. Such Special Tax with respect to the District shall be levied for the specific purposes set forth in and Section 5 hereof and Proposition A referred to herein.

B. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 5 hereof and Proposition A referred to herein.

C. The District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

D. The City Manager or Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 20. The City Clerk is directed to certify and attest to this Resolution, and to take any and all necessary acts to call, hold, canvass and certify an election or elections on the levy of the special tax, and the establishment of the appropriation limit.

Section 21. This Resolution shall take effect immediately upon its adoption.
ADOPTED, SIGNED and APPROVED this 31st day of July, 2018.

ATTEST:

Mayor, Michael M. Vargas

City Clerk, Nancy Salazar

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE §
CITY OF PERRIS

I, NANCY SALAZAR, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July, 2018, by the following called vote:

AYES: ____________________________________________
NOES: ____________________________________________
ABSENT: ____________________________________________
ABSTAIN: ____________________________________________

City Clerk, Nancy Salazar
Exhibit A

CITY OF PERRIS
COMMUNITY FACILITIES DISTRICT NO. 1-S
SOUTH PERRIS PUBLIC SERVICES

SPECIAL TAX RATE AND METHOD OF APPORTIONMENT

A Special Tax shall be levied on all Taxable Property within the boundaries of the City of Perris Community Facilities District No. 1-S (South Perris Public Services) (the “District”) and collected each Fiscal Year commencing in Fiscal Year 2006/07 according to the tax liability determined by the Council, through the application of the rate and method of apportionment of the Special Tax set forth below. All Taxable Property shall be taxed to the extent and in the manner herein provided.

A. Definitions

Acreage means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map. An Acre means 43,560 square feet of land.


Administrative Expenses means the costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the District as determined by the City.

Annual Cost(s) means for each Fiscal Year, the total of 1) the estimated cost of Services as determined by the City; 2) Administrative Expenses, and 3) any amounts needed to cure actual or projected delinquencies in Special Taxes for the current or previous Fiscal Year.

Annual Tax Escalation Factor means an increase in the Maximum Special Tax Rate each year following the Base Year in an amount not to exceed 2% annually.

Assessor means the Assessor of the County of Riverside.

Assessor’s Parcel means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.
Assessor's Parcel Map means an official map of the Assessor designating parcel(s) by Assessor's Parcel Number(s).

Assessor's Parcel Number means the number assigned to an Assessor's Parcel by the County for purposes of identification.

Base Year means Fiscal Year ending June 30, 2006.

CFD No. 1-S means the City of Perris Community Facilities District No. 1-S (South Perris Public Services).

CFD Administrator means an official of the City, or designee thereof, responsible for determining the Annual Costs and for levying and collecting the Special Taxes.

Council means the City Council of the City of Perris which acts for the District under the Act.

County means the County of Riverside, California.

Developed Property means for each Fiscal Year, commencing with Fiscal Year 2006/07, each Assessor's Parcel, for which a building permit for new construction was issued prior to May 1 of the previous Fiscal Year.

Exempt Property means an Assessor's Parcel that is not classified as Taxable Property. Exempt Property is not subject to the Special Tax.

Fiscal Year means the period starting on July 1 and ending the following June 30.

Land Use Class means any of the classes listed in Table 1 under Section C below.

Maximum Annual Special Tax means the greatest amount of Special Tax, determined in accordance with Section C below, which may be levied in any Fiscal Year on any Assessor's Parcel.

Multi-Family Unit means all Developed Property for which building permits have been issued for attached residential units.

Non-Residential Property means all Developed Property for which a building permit(s) was issued for a non-residential use.

Public Property means any property within the boundaries of the District, the ownership of which is transferred to a public agency of the District, and is used for rights-of-way or any other purpose and is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency where the public agency has officially agreed to accept the offer of dedication; provided however that any property owned by a public agency and leased to a private entity and subject to
taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

Residential Property means all Assessor’s Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

Services means services, including 1) police protection services, 2) fire protection services and 3) park maintenance services that are in addition to those services that were provided within the boundaries of CFD 1-S at the time of formation of CFD 1-S.

Single-Family Unit means all Developed Property for which a building permit has been issued for single family detached residential development. Single Family Unit also includes mobile homes within a mobile home park or on other property.

Special Tax means any tax levied within the District pursuant to the Act and this rate and method of apportionment of Special Tax.

State means the State of California.

Taxable Property means all of the Assessor’s Parcels within the boundaries of CFD 1-S that are classified as Residential Property or Non-Residential Property.

B. LAND USE CLASSIFICATION

Each Fiscal Year, each Assessor’s Parcel within the boundaries of the District shall be classified as Taxable Property, Public Property or Exempt Property. Each Assessor’s Parcel of Taxable Property shall be classified as Residential Property or Non-Residential Property. Each Assessor’s Parcel of Residential Property shall be further classified as either a Single-Family Unit or the number of Multi-Family Units located on such Assessor’s Parcel.
C. **MAXIMUM SPECIAL TAX RATES**

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Description</th>
<th>Maximum Special Tax</th>
<th>Special Tax Levy Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Residential Property</td>
<td>$313.00</td>
<td>per Unit</td>
</tr>
<tr>
<td></td>
<td>Single-Family Unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Residential Property</td>
<td>$156.50</td>
<td>per Unit</td>
</tr>
<tr>
<td></td>
<td>Multi-Family Unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Non-Residential Property</td>
<td>$1,252.00</td>
<td>per Acre</td>
</tr>
</tbody>
</table>

**Table 1**

**Base Year**

**Maximum Special Tax Rates**

1. **Eскаlation of Maximum Special Tax**

Each Fiscal Year following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this rate and method of apportionment.

2. **Multiple Land Use Classes**

In some instances an Assessor’s Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor’s Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor’s Parcel. For an Assessor’s Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor’s Parcel shall be allocated to each type of property based on the amount of Acreage designated for each Land Use Class as determined by reference to the site plan approved for such Assessor’s Parcel. The CFD Administrator’s allocation to each type of property shall be final.
D. **Method of Apportionment**

For each Fiscal Year the Council shall determine the Annual Costs and levy the Special Tax, until the amount of Special Taxes equals the Annual Costs. The Special Tax shall be levied each Fiscal Year as follows:

**First:** Calculate the available Special Tax revenues by taxing each Assessor’s Parcel of Taxable Property at 100% of its Maximum Special Tax. If revenues are greater than the Annual Costs, then reduce the Special Tax proportionately against all Assessor’s Parcels until the tax levy is set at an amount sufficient to cover the Annual Costs.

**Second:** Levy on each Assessor’s Parcel of Taxable Property the amount calculated above. No Special Tax shall be levied on Exempt Property.

The City shall make every effort to correctly assign the number of taxable units and calculate the Special Tax for each Assessor’s Parcel. It shall be the burden of the landowner to correct any errors in the determination of the Assessor’s Parcels subject to the tax and their Special Tax assignments.

E. **Collection of Special Taxes**

Collection of the Special Tax shall be by the County in the same manner as *ad valorem* property taxes and the Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as *ad valorem* taxes; provided, however, that the Council may provide other means of collecting the Special Tax if necessary to meet its financial obligations, including direct billings to the property owners.

F. **Administrative Changes and Appeals**

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor’s Parcel is in error shall first consult with the CFD Administrator regarding such error not later than twelve months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, the CFD Administrator may amend the amount of the Special Tax levied on such Assessor’s Parcel. If following such consultation and action, if any by the CFD Administrator, the landowner believes such error still exists, such person may file a written notice with the City Manager or designee of the City appealing the amount of the Special Tax levied on such Assessor’s Parcel. Upon the receipt of such notice, the City Manager or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. The City Manager or designee thereof shall interpret this Rate and Method of
Apportionment and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Manager or designee shall be final and binding as to all persons.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the District.

G. **TERM OF SPECIAL TAX**

The Special Tax shall be levied annually in perpetuity, unless terminated earlier by the Council.
Exhibit B

COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES) OF THE CITY OF PERRIS, ANNEXATION NO. 7

TYPES OF SERVICES TO BE FINANCED

Fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto (collectively, the "Services").
Exhibit C

OFFICIAL BALLOT
TO BE OPENED ONLY BY THE CANVASSING BOARD

COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES)
OF THE CITY OF PERRIS, ANNEXATION NO. 7

SPECIAL TAX AND APPROPRIATIONS LIMIT ELECTION

July 31, 2018

To vote, mark a cross (+) or (X) in the voting square after the word “YES” or after the word “NO.” The voter should then sign the ballot. All distinguishing marks otherwise made are forbidden and will void the ballot.

This ballot is provided to GREEN VALLEY RECOVERY ACQUISITION, LLC, as owner or authorized representative of such sole owner of 37.08 acres of the land within Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 (the “Property”) and represents thirty-eight (38) of the votes required for annexation.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North “D” Street, Perris, California 92570 and obtain another.

PROPOSITION A: Shall the Property be annexed and shall a Special Tax be levied within Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 to pay for the provision of fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto, as authorized in the Resolution calling election adopted on JULY 31, 2018 and the Resolution of Intention referred to therein; and shall an appropriations limit be established for Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 pursuant to Article XLIIB of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population, where said Maximum Special Tax Rate for Fiscal Year 2018-2019 is $396.96 per Single-Family Residential Unit, $198.48 per Multi-Family Residential Unit and $1,587.83 per acre for Non-residential Parcels and is subject to an Annual Tax Escalation Factor not to exceed 2.00% annually?

Number of votes: 38

Property Owner: GREEN VALLEY RECOVERY ACQUISITION, LLC

By: ________________________________
Resolution No. __________

OFFICIAL BALLOT
TO BE OPENED ONLY BY THE CANVASSING BOARD

COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES)
OF THE CITY OF PERRIS, ANNEXATION NO. 7

SPECIAL TAX AND APPROPRIATIONS LIMIT ELECTION

July 31, 2018

To vote, mark a cross (+) or (X) in the voting square after the word “YES” or after the word “NO.” The voter should then sign the ballot. All distinguishing marks otherwise made are forbidden and will void the ballot.

This ballot is provided to **KB HOME COASTAL, LLC**, as owner or authorized representative of such sole owner of 35.71 acres of the land within Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 (the “Property”) and represents thirty-six (36) of the votes required for annexation.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North “D” Street, Perris, California 92570 and obtain another.

**PROPOSITION A:** Shall the Property be annexed and shall a Special Tax be levied within Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 to pay for the provision of fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto, as authorized in the Resolution calling election adopted on JULY 31, 2018 and the Resolution of Intention referred to therein; and shall an appropriations limit be established for Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population, where said Maximum Special Tax Rate for Fiscal Year 2018-2019 is $396.96 per Single-Family Residential Unit, $198.48 per Multi-Family Residential Unit and $1,587.63 per acre for Non-residential Parcels and is subject to an Annual Tax Escalation Factor not to exceed 2.00% annually?

YES ☐

NO ☐

Number of votes: 36

Property Owner: **KB HOME COASTAL, LLC**

By: ____________________________

C-2
Resolution No. _____


The City Council (the "Council") of the City of Perris, California (the "City"), acting in its capacity as the legislative body (the "Legislative Body") of the Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris (the "District"), does hereby resolve as follows:

WHEREAS, the Legislative Body called and duly held an election in the District pursuant to Resolution No. _____ adopted on July 31, 2018 for the purpose of presenting to the qualified electors within the certain territory proposed to be annexed to the District known and designated as "Annexation No. 6" (the "Property"), a proposition for the levy of a special tax and the establishment of an appropriations limit ("Proposition A") in accordance with the method set forth in Exhibit "A" to Resolution No. 5305 adopted on June 12, 2018 (the "Resolution of Intention"); and

WHEREAS, the notice of election was published in the _____________ on the _______ day of ____________, 20___ including the full text of Resolution No. 5305; and

WHEREAS, the landowners of record within the Property as of the close of the public hearing held on July 31, 2018 unanimously consented to a waiver of the time limits for setting the election and a waiver of any written analysis, arguments or rebuttals as set forth in California Government Code sections 53326 and 53327. Such waivers are set forth in written certificates executed by the landowners which are on file with the City Clerk as election official (the "Election Official") concurring therein; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"), the special election was held on July 31, 2018; and

WHEREAS, there has been presented to this Legislative Body a Certificate of the Election Official as to the Results of the Canvass of the Election Returns (the "Certificate of the Election Official"), a copy of which is attached hereto as Exhibit "A;"

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Perris, acting in its capacity as the Legislative Body of Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, California, as follows:

Section 1. That the above recitals are all true and correct.
Section 2. The canvass of the votes cast in the Property to be annexed to the District at the special election held on July 31, 2018, as shown in the Certificate of the Election Official, is hereby approved and confirmed.

Section 3. Proposition A presented to the qualified electors of the Property for receipt by the Election Official on July 31, 2018, has received a unanimous vote of the qualified electors voting at said election, and Proposition A has carried. The Legislative Body is hereby authorized to take the necessary steps to levy the special tax authorized by Proposition A on the Property, which shall be used for the purposes of fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto, as also set forth in Proposition A.

Section 4. The City Clerk is hereby directed to enter the title of this Resolution on the minutes of the Legislative Body and to indicate the official declaration of the result of such special election.

Section 5. The Legislative Body hereby determines that the Property is added to and part of the existing District with full legal effect, and hereby authorizes the levy of a special tax at the Rate and Method of Apportionment set forth in Exhibit A to the Resolution of Intention. The whole of the territory within the Property shall be subject to the special tax consistent with the provisions of the Act.

Section 6. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Legislative Body hereby establishes the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 3 above:

A. Such Special Tax with respect to the District shall be levied for the specific purposes set forth in Proposition A and Section 3 hereof.

B. The proceeds of the levy of such Special Tax with respect to each Improvement Area shall be applied only to the specific purposes set forth in Section 3 hereof and Proposition A referred to therein.

C. The District shall establish an account or accounts into which the proceeds of such Special Tax with respect to each Improvement Area shall be deposited.

D. The City Manager, Assistant City Manager and Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 7. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Riverside a notice of special tax lien in the form required by the Act, said recording to occur no later than fifteen days following adoption by the City Council of this Resolution.
Section 8. This Resolution shall take effect immediately upon its adoption.

Section 9. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

ADOPTED, SIGNED and APPROVED this 31st day of July, 2018.

ATTEST:

Mayor, Michael M. Vargas

City Clerk, Nancy Salazar

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE §
CITY OF PERRIS

I, NANCY SALAZAR, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July, 2018, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk, Nancy Salazar
Resolution No. _______

Exhibit A

COMMUNITY FACILITIES DISTRICT NO. 1-S
(SOUTH PERRIS PUBLIC SERVICES)
OF THE CITY OF PERRIS, ANNEXATION NO. 7

CERTIFICATE OF THE ELECTION OFFICIAL
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE  §
CITY OF PERRIS  

I, NANCY SALAZAR, City Clerk in my capacity as Elections Official in the City of Perris, California, in its capacity as the legislative body of the Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, DO HEREBY CERTIFY, that pursuant to the provisions of Section 53325.4 of the Government Code and Division 15, commencing with Section 15000 of the Elections Code of the State of California, I did canvass the return of the votes cast at the Special Tax Election on July 31, 2018, held in

COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES)
OF THE CITY OF PERRIS, ANNEXATION NO. 7

I FURTHER CERTIFY that the Statement of All Votes Cast, to which this certificate is attached, shows the total number of ballots cast within the Property to be annexed to the District for the Proposition, and the totals of the respective columns and the totals as shown for the Proposition are full, true and correct.

WITNESS my hand and Official Seal this 31st day of July 2018.

CITY OF PERRIS, CALIFORNIA, acting as the LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 1-S (SOUTH PERRIS PUBLIC SERVICES) OF THE CITY OF PERRIS

By: __________________________

City Clerk, Nancy Salazar
COMMUNITY FACILITIES DISTRICT NO. 1-S
(SOUTH PERRIS PUBLIC SERVICES)
OF THE CITY OF PERRIS, ANNEXATION NO. 7

STATEMENT OF ALL VOTES CAST
SPECIAL TAX ELECTION

<table>
<thead>
<tr>
<th>City of Perris, Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7, Special Election, July 31, 2018</th>
<th>Qualified Landowner Votes</th>
<th>Total Votes Cast</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PROPOSITION A SUBMITTED TO VOTE OF VOTERS: Shall the Property be annexed and shall a Special Tax be levied within Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 to pay for the provision of fire protection and suppression services, and ambulance and paramedic services, including all furnishings, equipment and supplies related thereto; police protection services, including, but not limited to, criminal justice services, including all furnishings, equipment and supplies related thereto; park maintenance services, including all furnishings, equipment and supplies related thereto, as authorized in the Resolution calling election adopted on July 31, 2018 and the Resolution of Intention referred to therein; and shall an appropriations limit be established for Community Facilities District No. 1-S (South Perris Public Services) of the City of Perris, Annexation No. 7 pursuant to Article XIIIB of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population, where said Maximum Special Tax Rate for Fiscal Year 2018-2019 is $396.96 per Single-Family Residential Unit, $198.48 per Multi-Family Residential Unit and $1,587.83 per acre for Non-residential Parcels and is subject to an Annual Tax Escalation Factor not to exceed 2.00% annually?
SUBJECT: Consider Adoption of Resolutions of Necessity to Acquire Real Property for the Widening of Nuevo Road and the Replacement of Nuevo Road Bridge

REQUESTED ACTION: (1) That the City Council hold a public hearing on the proposed Resolutions of Necessity and (2) adopt the Resolutions of Necessity authorizing the commencement of eminent domain actions to acquire street right-of-way and/or slope easements and/or temporary waterline easements in portions of APN 310-180-005, APN 310-180-006, APN 310-180-045, APN 310-180-050, and APN 310-180-051 ("Real Property Interests")

CONTACT: Eric L. Dunn, City Attorney

BACKGROUND/DISCUSSION:

Acquisition of the Real Property Interests (See Exhibits to proposed Resolutions) is necessary for the widening of Nuevo Road between Wilson Avenue and Evans Road and the replacement of Nuevo Road Bridge at the Perris Valley Storm Drain Channel ("Project"). A written offer was presented to each of the Owners of Record ("Owners"), as required by California Government Code Section 7267.2. The Owners have not accepted the offers made by the City or presented counter offers, and consequently, negotiated agreements have not been reached. The Real Property Interests are necessary for the City to proceed with the Project. Therefore, staff recommends the City Council authorize the acquisition of the Real Property Interests through eminent domain.

In accordance with California Code of Civil Procedure Section 1245.235, the City has prepared and mailed notice of this hearing to the Owners informing them of their right to appear at this hearing and be heard on the following issues: (1) whether the public interest and necessity require the Project; (2) whether the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) whether the Real Property Interests are necessary for the Project; (4) whether the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or has not been made because the owner cannot be located with reasonable diligence; and (5) whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

While a hearing on a resolution of necessity is often referred to as a public hearing, the only notice required is 15 days notice by regular mail to the property owner. No published notice is required.

The affirmative vote of two-thirds of all the members of the City Council is required to adopt the Resolutions of Necessity.
COMPLIANCE WITH CEQA

Acquisition of real property by a public agency for the widening of Nuevo Road and the replacement of Nuevo Road Bridge is a discretionary action subject to the California Environmental Quality Act ("CEQA").

Planning Division staff have reviewed the Project and have concluded it is exempt from CEQA because it will not have a significant effect on the environment.

Based on the Initial Study, Mitigated Negative Declaration No. 2311 ("MND") was prepared for the Project pursuant to CEQA, finding that the Project will not have a significant effect on the environment. The MND was approved by City of Perris Development Services Department on May 18, 2015. Accordingly, Planning Division staff filed a Notice of Determination with the Riverside County Clerk on May 19, 2015, pursuant to Section 21152 of the California Public Resources Code (CEQA).

EVIDENCE IN SUPPORT OF THE FINDINGS IN THE RESOLUTIONS

Public acquisition of private property by eminent domain for public streets and right-of-way is authorized by Section 19 of Article I of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050 and Government Code Sections 37350, 37350.5, 37353, and 40404.

Pursuant to California Code of Civil Procedure Section 1240.030, the power of eminent domain may be exercised to acquire property for a proposed project only if all of the following are established:

(a) The public interest and necessity require the project.

(b) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

(c) The property sought to be acquired is necessary for the project.

In addition, a resolution of necessity must include a finding that the offer required by Government Code Section 7267.2 has been made to the owner or owners of record, or the offer was not made because the owner could not be located with reasonable diligence.

The public interest, convenience, and necessity require the Project to accommodate growth and development as anticipated in the Land Use Element. Nuevo Road starts from the I-215 in the City of Perris and extends east into the City of Nuevo. Currently, Nuevo Road consists of two lanes from Wilson Avenue to Evans Road. The Project will expand Nuevo Road to its full width (as contemplated in the Circulation Element of the City's General Plan) of 128 feet from Wilson Avenue to approximately 450 feet east of the Perris Valley Storm Drain Channel and replace the Nuevo Road Bridge at the Perris Valley Storm Drain Channel. The Project will improve traffic safety and emergency vehicle response times.

The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. Nuevo Road is part of the City's General Plan and Circulation Element. Widening the existing roadway is the only practical means of achieving the necessary traffic capacity. Re-routing Nuevo Road would be cost prohibitive and have a greater
impact on private property owners because more private property would need to be acquired than is necessary for widening the existing roadway.

The Real Property Interests proposed to be acquired are in the following APNs:

<table>
<thead>
<tr>
<th>APN</th>
</tr>
</thead>
<tbody>
<tr>
<td>310-180-005</td>
</tr>
<tr>
<td>310-180-006</td>
</tr>
<tr>
<td>310-180-045</td>
</tr>
<tr>
<td>310-180-050</td>
</tr>
<tr>
<td>310-180-051</td>
</tr>
</tbody>
</table>

The Real Property Interests are only the portions of the properties the City needs at the present time. Acquisition of a larger portion of any of the above listed APNs at this time would affect improvements on those properties without any present benefit to the public or the property owners.

The acquisition of the Real Property Interests is necessary for the Project because, without the Real Property Interests, the Project cannot be constructed.

The City of Perris made offers to the owners of the Real Property Interests on the following dates:

<table>
<thead>
<tr>
<th>APN</th>
<th>Date of Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>310-180-005</td>
<td>January 2, 2018</td>
</tr>
<tr>
<td>310-180-006</td>
<td>January 2, 2018</td>
</tr>
<tr>
<td>310-180-045</td>
<td>January 2, 2018</td>
</tr>
<tr>
<td>310-180-050</td>
<td>January 2, 2018*</td>
</tr>
<tr>
<td>310-180-051</td>
<td></td>
</tr>
</tbody>
</table>

*After making an offer to the then property owners of APN 310-180-050 and APN 310-180-051, the City was notified by new owners of the property that they had received the City’s offer.
REQUIRED FINDINGS AND SUPPORTING EVIDENCE

After the City receives testimony and evidence from all interested parties, the City Council must make a determination as to whether to acquire the Interests by eminent domain and adopt the proposed Resolutions of Necessity (Attachments "A" through "D"). The City must find and determine that based upon all the evidence and the existence of the above stated conditions, (a) the public interest and necessity require the Project; (b) the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (c) the Real Property Interests are necessary for the Project; and (d) the offer required by Government Code Section 7267.2 has been made to the owner or owners of record, or the offer was not made because the owner could not be located with reasonable diligence.

If this action is approved by the City Council, the City Attorney will be instructed to take all steps necessary to commence legal proceedings in a court of competent jurisdiction to acquire the Interests by eminent domain. Counsel will also be directed to seek and obtain an order of Prejudgment Possession in accordance with the provisions of the eminent domain law.

BUDGET (or FISCAL) IMPACT:

The cost of acquisition of right of way and construction of the Project will be funded with TUMF and local transportation funds.

Reviewed by:

City Attorney __X__
Assistant City Manager __DM__
Assistant Finance Director __GE__

Attachments:
A. Resolution of Necessity for APN 310-180-005
B. Resolution of Necessity for APN 310-180-006
C. Resolution of Necessity for APN 310-180-045
D. Resolution of Necessity for APN 310-180-050, 310-180-051

Consent:
Public Hearing: X
Business Item:
Other:
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF REAL PROPERTY INTERESTS IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR'S PARCEL NO. 310-180-005

WHEREAS, for the public purposes set forth herein, the City of Perris, California is authorized to acquire property through the exercise of eminent domain pursuant to Section 19 of Article 1 of the California Constitution, Section 1240.010 through 1240.050 of the California Code of Civil Procedure, and Sections 37350, 37350.5, 37353, and 40404 of the California Government Code; and

WHEREAS, the “Project” for which the real property described herein is to be acquired is the Nuevo Road Bridge Project, which generally consists of the widening of Nuevo Road between Wilson Avenue and Evans Road to the full width of 128 feet as provided in the Circulation Element of the City’s General Plan and the replacement of Nuevo Road Bridge at the Perris Valley Storm Drain Channel (referred to herein as the “Project”); and

WHEREAS, in order to carry out and make effective the principal purpose of the Project, it is necessary for the City of Perris to acquire street right-of-way in fee simple, a permanent slope easement, and a temporary waterline easement (hereinafter the “Real Property Interests”) in a portion of certain privately-owned real property located on the south side of Nuevo Road, east and adjacent to the Perris Valley Storm Drain Channel, in the City of Perris, County of Riverside, California, Assessor's Parcel No. 310-180-005; and

WHEREAS, the portion of the property in which the City seeks to acquire the fee simple for street right-of-way is described in Exhibit “A” which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit “B” which is incorporated by this reference (hereinafter the “Property”); and

WHEREAS, the portion of the property in which the City seeks to acquire a permanent slope easement is described in Exhibit “C” which is attached hereto and incorporated by this
reference, and depicted on the diagram attached hereto as Exhibit "D" which is incorporated by this reference; and

WHEREAS, the portion of the property in which the City seeks to acquire a temporary waterline easement, which will be in effect for 12 months, commencing upon written notice to the owner of the Property from the City of Perris, is described in Exhibit "E" which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit "F" which is incorporated by this reference; and

WHEREAS, on or about January 2, 2018, the City made a written offer to acquire the Real Property Interests to the record owners of the Property at an amount that was not less than the appraised fair market value in compliance with Government Code Section 7267.2(a), and the owners of the Property have not accepted said offer or otherwise conveyed the Real Property Interests to the City as of the date of this Resolution; and

WHEREAS, on July 16, 2018, a Notice of Intent to Adopt a Resolution of Necessity for Acquisition of the Real Property Interests in certain real property identified as Assessor’s Parcel No. 310-180-005 (a copy of which is attached hereto as Exhibit "G" and incorporated by this reference) was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an ownership interest in the Property, and to the address appearing on said Roll, which Notice of Hearing advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

WHEREAS, the hearing that was the subject of said Notice of Hearing was held on July 31, 2018, at the time and place stated therein and all interested parties were given an opportunity to be heard on the following matters:

(a) Whether the public interest and necessity require the Project;
(b) Whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
(c) Whether the Real Property Interests proposed to be acquired are necessary for the Project;
(d) Whether an offer meeting the requirements of Government Code Section 7267.2 has been made to the owner or owners of record;

(e) Whether all other prerequisites for the exercise of eminent domain to acquire the Real Property Interests have been met; and

WHEREAS, the City Council, as a result of such hearing, has determined that the public health, safety, and welfare require the City to acquire the Real Property Interests in the Property for the stated purposes; and

WHEREAS, the City of Perris Development Services Department approved Mitigated Negative Declaration No. 2311 for the Project on May 18, 2015; and

WHEREAS, the Planning Division has determined the Project for which the Real Property Interests are being acquired is exempt from the California Environmental Quality Act pursuant to the Notice of Determination filed with the Riverside County Clerk on May 19, 2015.

NOW THEREFORE, BE IT RESOLVED, that the City Council hereby does find, determine, and declare based upon evidence presented to it as follows:

Section 1. The staff report presented regarding this matter at the July 31, 2018 hearing is incorporated herein by this reference. The facts referenced in this Resolution and the staff report, and specifically the recitals above, are found to be true and are incorporated herein by this reference. The findings made by the City Council herein are supported by substantial evidence contained in the record of this proceeding.

Section 2. The street right-of-way to be acquired in fee simple is located within the City of Perris, County of Riverside, State of California, Assessor's Parcel No. 310-180-005, comprising a total of 15,137 square feet, is described above and in Exhibit "A" and depicted in Exhibit "B". The permanent slope easement to be acquired is located south of the fee simple right-of-way acquisition, comprising a total of 1,050 square feet, and is described in Exhibit "C" and depicted in Exhibit "D". The temporary waterline easement to be acquired, which will be in effect for 12 months, commencing upon written notice to the owner of the Property from the City of Perris, is located south of the fee simple right-of-way acquisition,
comprising a total of 5,895 square feet, and is described in Exhibit "E" and depicted in Exhibit "F".

Section 3. The public interest, convenience, and necessity require the Project to accommodate growth and development as anticipated in the Land Use Element. Nuevo Road starts from the I-215 in the City of Perris and extends east into the City of Nuevo. Currently, Nuevo Road consists of two lanes from Wilson Avenue to Evans Road. The Project will expand Nuevo Road to its full width of 128 feet as provided in the Circulation Element of the City’s General Plan from Wilson Avenue to approximately 450 feet east of the Perris Valley Storm Drain Channel and replace the Nuevo Road Bridge at the Perris Valley Storm Drain Channel. The Project will improve traffic safety and emergency vehicle response times.

Section 4. The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. Nuevo Road is designated as a Primary Arterial in the Circulation Element of the City’s General Plan. The Project only requires acquisition of land and other real property interests to accomplish the objectives set forth in the Circulation Element. Widening the existing roadway is the only practical means of achieving the necessary traffic capacity. Re-routing Nuevo Road would be cost prohibitive and have a greater impact on private property owners because more private property would need to be acquired than is necessary for widening the existing roadway.

Section 5. The acquisition of the Real Property Interests is necessary for the Project because without the Real Property Interests, the Project cannot be constructed. The Real Property Interests are part of the ultimate width of Nuevo Road. Acquisition of the Real Property Interests is expressly authorized by Section 19 of Article 1 of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050 and Government Code Sections 37350, 37350.5, 37353, and 40404.

Section 6. The offer required by Government Code Section 7267.2 has been made to the owner of record of the Property, by way of letter dated January 2, 2018, and the owner of record of the Property has not accepted the City’s offer.
Section 7. The City hereby declares its intent to acquire the Real Property Interests in a portion of the Property described in Exhibit “A” in the City’s name, in accordance with the provisions of the law of the State of California and finds that all conditions, statutory requirements and prerequisites to the exercise of eminent domain to acquire the Real Property Interests described herein and the Project have been complied with by the City.

Section 8. The law firm of Aleshire & Wynder, LLP, is hereby authorized and directed to prepare, institute, and prosecute in the name of the City such proceedings, in the Court having proper jurisdiction thereof, as may be necessary for the acquisition of the Real Property Interests in a portion of the Property in accordance with the provisions of the California Eminent Domain Law and the Constitution of California. Said counsel are also authorized and directed to obtain any necessary order of the Court granting the City the right of immediate possession and occupancy of the Property.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Perris this 31st day of July, 2018.

MICHAEL M. VARGAS
MAYOR OF THE CITY OF PERRIS

ATTEST:

NANCY SALAZAR
CITY CLERK
STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE ) ss.
CITY OF PERRIS )

I, NANCY SALAZAR, City Clerk of the City of Perris, California, do hereby certify that Resolution No. __________________________ was adopted by the City Council of the City of Perris at a regular meeting held on the 31st day of July, 2018, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

__________________________
NANCY SALAZAR
CITY CLERK
EXHIBIT "A"

LEGAL DESCRIPTION
EXHIBIT “A”
STREET DEDICATION

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THAT LAND, BEING A PORTION OF EAST HALF OF THE WEST HALF OF THE
NORTHWEST QUARTER OF FRACTIONAL SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3
WEST, SAN BERNARDINO MERIDIAN;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE RIVERSIDE COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY DEED RECORDED
APRIL 10, 1953 IN BOOK 1480, PAGE 166 OF OFFICIAL RECORDS OF SAID COUNTY
AND STATE;

ALSO KNOWN AS A.P.N. 310-180-005, MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

THE SOUTH 34 FEET OF THE NORTH 64 FEET OF SAID LAND;

THE ABOVE DESCRIBED DEDICATION CONTAINS 15,137 SQUARE FEET, MORE OR
LESS.

SEE EXHIBIT “B”, ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 6/25/77

Reference: Preliminary Title Commitment Parcel: 2
EXHIBIT "B"

LEGAL DESCRIPTION PLAT
EXHIBIT “C”

LEGAL DESCRIPTION FOR SLOPE EASEMENT
EXHIBIT “A”
SLOPE EASEMENT

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THAT LAND, BEING A PORTION OF EAST HALF OF THE WEST HALF OF THE
NORTHWEST QUARTER OF FRACTIONAL SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3
WEST, SAN BERNARDINO MERIDIAN;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE RIVERSIDE COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY DEED RECORDED
APRIL 10, 1953 IN BOOK 1480, PAGE 166 OF OFFICIAL RECORDS OF SAID COUNTY
AND STATE;

ALSO KNOWN AS A.P.N. 310-180-005, MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

THE WEST 15 FEET OF THE SOUTH 70 FEET OF THE NORTH 134 FEET OF SAID LAND;

THE ABOVE DESCRIBED EASEMENT CONTAINS 1,050 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT "B", ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 4/1/72

Reference: Preliminary Title Commitment Parcel: 2
EXHIBIT “D”

PLAT FOR SLOPE EASEMENT
EXHIBIT 'B' - SLOPE EASEMENT

PERRIS VALLEY STORM
DRAIN CHANNEL

125'

NUEVO
ROAD

PORTION OF EAST 1/2, WEST 1/2, NW 1/4 SECTION 28

ASSESSOR'S PARCEL NO.: 310-180-005
SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3 WEST, S.B.M.
DATED: 6/15/17 WM. STEPHEN CALKINS, P.L.S. 6890
SCALE: 1' = 60'

C&P SURVEYING, INC.
P.O. Box 1042 Blue Jay, CA 92317
(909) 337-8100 Cell (909) 856-6016

INDICATES GRANTOR BDY.
( ) INDICATES ASSESSORS MAP DATA

REF: PTR-2B
EXHIBIT “A”
TEMPORARY WATERLINE EASEMENT

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THAT LAND, BEING A PORTION OF EAST HALF OF THE WEST HALF OF THE
NORTHWEST QUARTER OF FRACTIONAL SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3
WEST, SAN BERNARDINO MERIDIAN;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE RIVERSIDE COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY DEED RECORDED
APRIL 10, 1953 IN BOOK 1460, PAGE 166 OF OFFICIAL RECORDS OF SAID COUNTY
AND STATE;

ALSO KNOWN AS A.P.N. 310-180-005, MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

THE WEST 45 FEET OF THE SOUTH 131 FEET OF THE NORTH 195 FEET OF SAID
LAND;

THE ABOVE DESCRIBED EASEMENT CONTAINS, 5,895 SQUARE FEET, MORE OR
LESS.

SEE EXHIBIT “B”, ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

[Signature]

WM. STEPHEN CALKINS, P. E. S. 6890
DATE: 1/30/77

Reference: Preliminary Title Commitment Parcel: 2
EXHIBIT "F"

PLAT FOR TEMPORARY WATERLINE EASEMENT
EXHIBIT “G”

NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
VIA U.S. MAIL

July 16, 2018

ETN Pacific, Inc.
18575 Gale Ave, Suite 255
City of Industry, CA 9174

Re: APN: 310-180-005
Property: 995 E. Nuevo Road #A, Perris, CA
Subject: Offer to Purchase Property - [Redacted]

Dear Property Owner:

On January 2, 2018, the City of Perris (the "City") made an offer to purchase the property identified as Assessor's Parcel No. 310-180-005 in the City of Perris, California, located at 995 E. Nuevo Road #A. The City reiterates its previous offer to purchase the property for [Redacted] subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City's governing body will consider that resolution at a meeting to be held at the following time and place:

Date: July 31, 2018
Time: 6:30 p.m.
Location: City of Perris, City Hall, Council Chambers, 101 North D Street, Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;

2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;

3. Whether the property sought to be acquired is necessary for the project;

4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record; and
5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City's authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City's consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (951) 943-6100 or June Ailin at (310) 527-6660.

Thank you for your cooperation in this matter.

Very truly yours,

[Signature]

Richard Belmudez
City Manager

cc: Habib Motlagh, City Engineer (via email)
    Eric Dunn, City Attorney (via email)
    June Ailin, Special Counsel (via email)
RESOLUTION NO. ______________________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF REAL PROPERTY INTERESTS IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR'S PARCEL NOS. 310-180-050 AND 310-180-051

WHEREAS, for the public purposes set forth herein, the City of Perris, California is authorized to acquire property through the exercise of eminent domain pursuant to Section 19 of Article 1 of the California Constitution, Section 1240.010 through 1240.050 of the California Code of Civil Procedure, and Sections 37350, 37350.5, 37353, and 40404 of the California Government Code; and

WHEREAS, the “Project” for which the real property described herein is to be acquired is the Nuevo Road Bridge Project, which generally consists of the widening of Nuevo Road between Wilson Avenue and Evans Road to the full width of 128 feet as provided in the Circulation Element of the City’s General Plan and the replacement of Nuevo Road Bridge at the Perris Valley Storm Drain Channel (referred to herein as the “Project”); and

WHEREAS, in order to carry out and make effective the principal purpose of the Project, it is necessary for the City of Perris to acquire street right-of-way in fee simple, a permanent slope easement, and a temporary waterline easement (hereinafter the “Real Property Interests”) in a portion of certain privately-owned real property located on the southeast corner of Nuevo Road and Murrieta Road, in the City of Perris, County of Riverside, California, Assessor’s Parcel Nos. 310-180-050 and 310-180-051; and

WHEREAS, the portion of the property in which the City seeks to acquire the fee simple for street right-of-way is described in Exhibit “A” which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit “B” which is incorporated by this reference (hereinafter the “Property”); and

WHEREAS, the portion of the property in which the City seeks to acquire a permanent slope easement is described in Exhibit “C” which is attached hereto and incorporated by this
reference, and depicted on the diagram attached hereto as Exhibit “D” which is incorporated by this reference; and

WHEREAS, the portion of the property in which the City seeks to acquire a temporary waterline easement, which will be in effect for 12 months, commencing upon written notice to the owner of the Property from the City of Perris, is described in Exhibit “E” which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit “E” which is incorporated by this reference; and

WHEREAS, on or about January 2, 2018, the City made a written offer to acquire the Real Property Interests to the previous record owners of the Property at an amount that was not less than the appraised fair market value in compliance with Government Code Section 7267.2(a); and

WHEREAS, on or about March 20, 2018, the City was notified that the Property had been acquired by the new current owners and based on correspondence received from the current owners, the January 2, 2018 written offer had been forwarded to the current owners, and the current owners of the Property have not accepted said offer or otherwise conveyed the Real Property Interests to the City as of the date of this Resolution; and

WHEREAS, on July 16, 2018, a Notice of Intent to Adopt a Resolution of Necessity for Acquisition of the Real Property Interests in certain real property identified as Assessor’s Parcel Nos. 310-180-050 and 310-180-051 (a copy of which is attached hereto as Exhibit “G” and incorporated by this reference) was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an ownership interest in the Property, and to the address appearing on said Roll, which Notice of Hearing advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

WHEREAS, the hearing that was the subject of said Notice of Hearing was held on July 31, 2018, at the time and place stated therein and all interested parties were given an opportunity to be heard on the following matters:

(a) Whether the public interest and necessity require the Project;
(b) Whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
(c) Whether the Real Property Interests proposed to be acquired are necessary for the Project;
(d) Whether an offer meeting the requirements of Government Code Section 7267.2 has been made to the owner or owners of record;
(e) Whether all other prerequisites for the exercise of eminent domain to acquire the Real Property Interests have been met; and

WHEREAS, the City Council, as a result of such hearing, has determined that the public health, safety, and welfare require the City to acquire the Real Property Interests in the Property for the stated purposes; and

WHEREAS, the City of Perris Development Services Department approved Mitigated Negative Declaration No. 2311 for the Project on May 18, 2015; and

WHEREAS, the Planning Division has determined the Project for which the Real Property Interests are being acquired is exempt from the California Environmental Quality Act pursuant to the Notice of Determination filed with the Riverside County Clerk on May 19, 2015.

NOW THEREFORE, BE IT RESOLVED, that the City Council hereby does find, determine, and declare based upon evidence presented to it as follows:

Section 1. The staff report presented regarding this matter at the July 31, 2018 hearing is incorporated herein by this reference. The facts referenced in this Resolution and the staff report, and specifically the recitals above, are found to be true and are incorporated herein by this reference. The findings made by the City Council herein are supported by substantial evidence contained in the record of this proceeding.

Section 2. The street right-of-way to be acquired in fee simple is located within the City of Perris, County of Riverside, State of California, Assessor's Parcel No. 310-180-050, comprising a total of 3,072 square feet, and Assessor's Parcel No. 310-180-051, comprising a total of 2,745 square feet, is described above and in Exhibit "A" and depicted in Exhibit "B". The permanent slope easement, to be acquired in Assessor's Parcel No. 310-180-
051, is located south of the fee simple right of way acquisition, comprising a total of 1,050 square feet, and is described in Exhibit "C" and depicted in Exhibit "D". The temporary waterline easement, to be acquired in Assessor’s Parcel No. 310-180-051, which will be in effect for 12 months, commencing upon written notice to the owner of the Property from the City of Perris, is located south of the fee simple right of way acquisition, comprising a total of 9,301 square feet, and is described in Exhibit "E" and depicted in Exhibit "F".

Section 3. The public interest, convenience, and necessity require the Project to accommodate growth and development as anticipated in the Land Use Element. Nuevo Road starts from the I-215 in the City of Perris and extends east into the City of Nuevo. Currently, Nuevo Road consists of two lanes from Wilson Avenue to Evans Road. The Project will expand Nuevo Road to its full width of 128 feet as provided in the Circulation Element of the City’s General Plan from Wilson Avenue to approximately 450 feet east of the Perris Valley Storm Drain Channel and replace the Nuevo Road Bridge at the Perris Valley Storm Drain Channel. The Project will improve traffic safety and emergency vehicle response times.

Section 4. The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. Nuevo Road is designated as a Primary Arterial in the Circulation Element of the City’s General Plan. The Project only requires acquisition of land and other real property interests to accomplish the objectives set forth in the Circulation Element. Widening the existing roadway is the only practical means of achieving the necessary traffic capacity. Re-routing Nuevo Road would be cost prohibitive and have a greater impact on private property owners because more private property would need to be acquired than is necessary for widening the existing roadway.

Section 5. The acquisition of the Real Property Interests is necessary for the Project because without the Real Property Interests, the Project cannot be constructed. The Real Property Interests are part of the ultimate width of Nuevo Road. Acquisition of the Real Property Interests is expressly authorized by Section 19 of Article 1 of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050 and Government Code Sections 37350, 37350.5, 37353, and 40404.
Section 6. The offer required by Government Code Section 7267.2 has been made to the current owner of record of the Property, by way of letter dated January 2, 2018, and the current owner of record of the Property has not accepted the City’s offer.

Section 7. The City hereby declares its intent to acquire the Real Property Interests in a portion of the Property described in Exhibit “A” in the City’s name, in accordance with the provisions of the law of the State of California and finds that all conditions, statutory requirements and prerequisites to the exercise of eminent domain to acquire the Real Property Interests described herein and the Project have been complied with by the City.

Section 8. The law firm of Aleshire & Wynder, LLP, is hereby authorized and directed to prepare, institute, and prosecute in the name of the City such proceedings, in the Court having proper jurisdiction thereof, as may be necessary for the acquisition of the Real Property Interests in a portion of the Property in accordance with the provisions of the California Eminent Domain Law and the Constitution of California. Said counsel are also authorized and directed to obtain any necessary order of the Court granting the City the right of immediate possession and occupancy of the Property.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Perris this 31st day of July, 2018.

MICHAEL M. VARGAS
MAYOR OF THE CITY OF PERRIS

ATTEST:

NANCY SALAZAR
CITY CLERK
STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE ) ss.
CITY OF PERRIS )

I, NANCY SALAZAR, City Clerk of the City of Perris, California, do hereby certify that Resolution No. __________________________ was adopted by the City Council of the City of Perris at a regular meeting held on the 31st day of July, 2018, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
NANCY SALAZAR
CITY CLERK
EXHIBIT "A"

LEGAL DESCRIPTION
EXHIBIT "A"
STREET DEDICATION

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;


PARCEL "1":

THE SOUTH 9 FEET OF THE NORTH 64 FEET OF SAID PARCEL "A";

EXCEPTING THEREFROM THE EAST 30 FEET OF MURRIETA ROAD, AS SHOWN THEREIN.

PARCEL "2":

BEGINNING AT THE SOUTHWEST CORNER OF ABOVE MENTIONED PARCEL "1";

THENCE SOUtherLY ALONG THE EAST LINE OF SAID MURRIETA ROAD, A DISTANCE OF 17.87 FEET;

THENCE EASTERNLY AT A RIGHT ANGLE TO SAID EAST LINE, A DISTANCE OF 9.00 FEET;

THENCE NORTHEASTERLY A DISTANCE OF 29.94 FEET TO A POINT IN THE SOUTH LINE OF SAID PARCEL "1", WHICH LIES EASTERNLY 32.93 FEET FROM THE POINT OF BEGINNING;

THENCE WESTERNLY ALONG SAID SOUTH LINE OF PARCEL "1", A DISTANCE OF 32.93 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED DEDICATION CONTAINS 3,072 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT "B", ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 7/13/17

Reference: Preliminary Title Commitment Parcel: 4
EXHIBIT "A"
STREET DEDICATION

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;


THE SOUTH 9 FEET OF THE NORTH 64 FEET OF SAID PARCEL "B";

THE ABOVE DESCRIBED DEDICATION CONTAINS 2,745 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT "B", ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.
PREPARED UNDER THE SUPERVISION OF:

[Signature]
WM. STEPHEN CALKINS, P.L.S. 8890
DATE: 6/1/10

Reference: Preliminary Title Commitment Parcel: 5
EXHIBIT "B"
LEGAL DESCRIPTION PLAT
EXHIBIT 'B'- STREET DEDICATION

NUEVO

ROAD

PARCEL "B" OF LOT LINE ADJUSTMENT NO.
07-0151 PER INSTRUMENT NO. 2007-0376790
OF OFFICIAL RECORDS

INDICATES GRANTOR BDY.
( ) INDICATES ASSESSORS MAP DATA

W N E S

REF: PTR-54

ASSessor's parcel No.: 310-180-051
section 28, TOWNSHIP 4 SOUTH, RANGE 3 WEST, S.B.M.
Dated: 6/15/17 WM. STEPHEN CALKINS, P.L.S. 6890
scale: 1" = 50'

C&P. SURVEYING, INC.
P.O. Box 1042 Blue Jay, CA 92317
(909) 337-8100 cell (909) 856-6016
EXHIBIT "C"

LEGAL DESCRIPTION FOR SLOPE EASEMENT
EXHIBIT "A"
SLOPE EASEMENT

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;


THE EAST 15 FEET OF THE SOUTH 70 FEET OF THE NORTH 134 FEET OF SAID PARCEL "B";

THE ABOVE DESCRIBED EASEMENT CONTAINS 2,745 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT "B", ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 6/15/17

Reference: Preliminary Title Commitment Parcel: 5
EXHIBIT "D"

PLAT FOR SLOPE EASEMENT
EXHIBIT “E”

LEGAL DESCRIPTION FOR TEMPORARY WATERLINE EASEMENT
EXHIBIT “A”
TEMPORARY WATER LINE EASEMENT

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;


THE EAST 71 FEET OF THE SOUTH 131 FEET OF THE NORTH 195 FEET OF SAID PARCEL “B”;

THE ABOVE DESCRIBED EASEMENT CONTAINS 9,301 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT “B”, ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 6/15/12

Reference: Preliminary Title Commitment Parcel: 5
EXHIBIT “F”

PLAT FOR TEMPORARY WATERLINE EASEMENT
EXHIBIT “G”

NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
VI A U.S. MAIL

July 16, 2018

Anwar Tabel
1337 Olympic St.
Beaumont, CA 92223

Mohammad Tabel
133 Gaeta Court
Beaumont, CA 92223

Akram Tabel, Trustee of
Akram Tabel Trust
133 Gaeta Court
Beaumont, CA 92223

Re: APN: 310-180-050, 051, 052
Property: Southeast corner of Nuevo Road and Murrieta Road, Perris, CA
Subject: Offer to Purchase Property

Dear Property Owners:

On January 2, 2018, the City of Perris (the “City”) made an offer to purchase the property identified as Assessor’s Parcel No. 310-180-050, 051, 052 in the City of Perris, California, located on the southeast corner of Nuevo Road and Murrieta Road. The City reiterates its previous offer to purchase the property for [redacted] subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City’s governing body will consider that resolution at a meeting to be held at the following time and place:

Date: July 31, 2018
Time: 6:30 p.m.
Location: City of Perris, City Hall, Council Chambers, 101 North D Street, Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;

2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
3. Whether the property sought to be acquired is necessary for the project;

4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owners(s) of record; and

5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City’s authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City’s consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (951) 943-6100 or June Ailin at (310) 527-6660.

Thank you for your cooperation in this matter.

Very truly yours,

Richard Belmonte
City Manager

cc: Habib Motlagh, City Engineer (via email)
    Eric Dunn, City Attorney (via email)
    June Ailin, Special Counsel (via email)
CITY OF PERRIS
Office of the City Manager

VIA U.S. MAIL

July 16, 2018

Anwar Tabel
1337 Olympic St.
Beaumont, CA 92223

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Akram Tabel, Trustee of
Akram Tabel Trust
133 Gaeta Court
Beaumont, CA 92223

Re: APN: 310-180-050, 051, 052
Property: Southeast corner of Nuevo Road and Murrieta Road, Perris, CA
Subject: Offer to Purchase Property - [redacted]

Dear Property Owners:

On January 2, 2018, the City of Perris (the “City”) made an offer to purchase the property identified as Assessor’s Parcel No. 310-180-050, 051, 052 in the City of Perris, California, located on the southeast corner of Nuevo Road and Murrieta Road. The City reiterates its previous offer to purchase the property for [redacted] subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City’s governing body will consider that resolution at a meeting to be held at the following time and place:

Date: July 31, 2018
Time: 6:30 p.m.
Location: City of Perris, City Hall, Council Chambers, 101 North D Street, Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;

2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
3. Whether the property sought to be acquired is necessary for the project;

4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record; and

5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City's authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City's consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (951) 943-6100 or June Ailin at (310) 527-6660.

Thank you for your cooperation in this matter.

Very truly yours,

Richard Belmudez
City Manager

cc: Habib Motlagh, City Engineer (via email)
    Eric Dunn, City Attorney (via email)
    June Ailin, Special Counsel (via email)
VIA U.S. MAIL

July 16, 2018

Anwar Tabel
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Akram Tabel, Trustee of
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133 Gaeta Court
Beaumont, CA 92223

Re: APN: 310-180-050, 051, 052
Property: Southeast corner of Nuevo Road and Murrieta Road, Perris, CA
Subject: Offer to Purchase Property - [redacted]

Dear Property Owners:

On January 2, 2018, the City of Perris (the “City”) made an offer to purchase the property identified as Assessor’s Parcel No. 310-180-050, 051, 052 in the City of Perris, California, located on the southeast corner of Nuevo Road and Murrieta Road. The City reiterates its previous offer to purchase the property for [redacted] subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City’s governing body will consider that resolution at a meeting to be held at the following time and place:

Date: July 31, 2018
Time: 6:30 p.m.
Location: City of Perris, City Hall, Council Chambers, 101 North D Street, Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;

2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
3. Whether the property sought to be acquired is necessary for the project;

4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record; and

5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City’s authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City’s consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (951) 943-6100 or June Ailin at (310) 527-6660.

Thank you for your cooperation in this matter.

Very truly yours,

Richard Belmonte
City Manager

cc: Habib Motlagh, City Engineer (via email)
    Eric Dunn, City Attorney (via email)
    June Ailin, Special Counsel (via email)
RESOLUTION NO. ________________________


WHEREAS, for the public purposes set forth herein, the City of Perris, California is authorized to acquire property through the exercise of eminent domain pursuant to Section 19 of Article 1 of the California Constitution, Section 1240.010 through 1240.050 of the California Code of Civil Procedure, and Sections 37350, 37350.5, 37353, and 40404 of the California Government Code; and

WHEREAS, the “Project” for which the real property described herein is to be acquired is the Nuevo Road Bridge Project, which generally consists of the widening of Nuevo Road between Wilson Avenue and Evans Road to the full width of 128 feet as provided in the Circulation Element of the City’s General Plan and the replacement of Nuevo Road Bridge at the Perris Valley Storm Drain Channel (referred to herein as the “Project”); and

WHEREAS, in order to carry out and make effective the principal purpose of the Project, it is necessary for the City of Perris to acquire street right-of-way in fee simple (“Interest”) in a portion of certain privately-owned real property located on the south side of Nuevo Road, east of Murrieta Road, in the City of Perris, County of Riverside, California, Assessor’s Parcel No. 310-180-045; and

WHEREAS, the portions of the property in which the City seeks to acquire the fee simple for street right-of-way is described in Exhibit “A” which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit “B” which is incorporated by this reference (hereinafter the “Property”); and

WHEREAS, on or about January 2, 2018, the City made a written offer to acquire the Interest to the record owners of the Property at an amount that was not less than the appraised fair market value in compliance with Government Code Section 7267.2(a), and the owners of the
Property have not accepted said offer or otherwise conveyed the Interest to the City as of the date of this Resolution; and

WHEREAS, on July 16, 2018, a Notice of Intent to Adopt a Resolution of Necessity for Acquisition of the Interest in certain real property identified as Assessor's Parcel No. 310-180-045 (a copy of which is attached hereto as Exhibit "C" and incorporated by this reference) was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an ownership interest in the Property, and to the address appearing on said Roll, which Notice of Hearing advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

WHEREAS, the hearing that was the subject of said Notice of Hearing was held on July 31, 2018, at the time and place stated therein and all interested parties were given an opportunity to be heard on the following matters:

(a) Whether the public interest and necessity require the Project;
(b) Whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
(c) Whether the Interest proposed to be acquired is necessary for the Project;
(d) Whether an offer meeting the requirements of Government Code Section 7267.2 has been made to the owner or owners of record;
(e) Whether all other prerequisites for the exercise of eminent domain to acquire the Interest have been met; and

WHEREAS, the City Council, as a result of such hearing, has determined that the public health, safety, and welfare require the City to acquire the Interest in the Property for the stated purposes; and

WHEREAS, the City of Perris Development Services Department approved Mitigated Negative Declaration No. 2311 for the Project on May 18, 2015; and

WHEREAS, the Planning Division has determined the Project for which the Interest is being acquired is exempt from the California Environmental Quality Act pursuant to the Notice of Determination filed with the Riverside County Clerk on May 19, 2015.
NOW THEREFORE, BE IT RESOLVED, that the City Council hereby does find, determine, and declare based upon evidence presented to it as follows:

Section 1. The staff report presented regarding this matter at the July 31, 2018 hearing is incorporated herein by this reference. The facts referenced in this Resolution and the staff report, and specifically the recitals above, are found to be true and are incorporated herein by this reference. The findings made by the City Council herein are supported by substantial evidence contained in the record of this proceeding.

Section 2. The street right-of-way to be acquired in fee simple consists of a portion of the Property located within the City of Perris, County of Riverside, State of California, Assessor's Parcel No. 310-180-045, comprising a total of 22,909 square feet, is described above and in Exhibit “A” and depicted in Exhibit “B”.

Section 3. The public interest, convenience, and necessity require the Project to accommodate growth and development as anticipated in the Land Use Element. Nuevo Road starts from the I-215 in the City of Perris and extends east into the City of Nuevo. Currently, Nuevo Road consists of two lanes from Wilson Avenue to Evans Road. The Project will expand Nuevo Road to its full width of 128 feet as provided in the Circulation Element of the City’s General Plan from Wilson Avenue to approximately 450 feet east of the Perris Valley Storm Drain Channel and replace the Nuevo Road Bridge at the Perris Valley Storm Drain Channel. The Project will improve traffic safety and emergency vehicle response times.

Section 4. The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. Nuevo Road is designated as a Primary Arterial in the Circulation Element of the City’s General Plan. The Project only requires acquisition of land and other real property interests to accomplish the objectives set forth in the Circulation Element. Widening the existing roadway is the only practical means of achieving the necessary traffic capacity. Re-routing Nuevo Road would be cost prohibitive and have a greater impact on private property owners because more private property would need to be acquired than is necessary for widening the existing roadway.
Section 5. The acquisition of the Interest in the Property is necessary for the Project because without the Interest, the Project cannot be constructed. The Interest is part of the ultimate width of Nuevo Road. Acquisition of the Interest is expressly authorized by Section 19 of Article 1 of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050 and Government Code Sections 37350, 37350.5, 37353, and 40404.

Section 6. The offer required by Government Code Section 7267.2 has been made to the owner of record of the Property, by way of letter dated January 2, 2018, and the owner of record of the Property has not accepted the City’s offer.

Section 7. The City hereby declares its intent to acquire the Interest in a portion of the Property described in Exhibit “A” in the City’s name, in accordance with the provisions of the law of the State of California and finds that all conditions, statutory requirements and prerequisites to the exercise of eminent domain to acquire the Interest described herein and the Project have been complied with by the City.

Section 8. The law firm of Aleshire & Wynder, LLP, is hereby authorized and directed to prepare, institute, and prosecute in the name of the City such proceedings, in the Court having proper jurisdiction thereof, as may be necessary for the acquisition of the Interest in a portion of the Property in accordance with the provisions of the California Eminent Domain Law and the Constitution of California. Said counsel are also authorized and directed to obtain any necessary order of the Court granting the City the right of immediate possession and occupancy of the Property.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Perris this 31st day of July, 2018.

MICHAEL M. VARGAS
MAYOR OF THE CITY OF PERRIS

ATTEST:

NANCY SALAZAR
CITY CLERK
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE
CITY OF PERRIS

I, NANCY SALAZAR, City Clerk of the City of Perris, California, do hereby certify that Resolution No. ____________ was adopted by the City Council of the City of Perris at a regular meeting held on the 31st day of July, 2018, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

________________________
NANCY SALAZAR
CITY CLERK
EXHIBIT "A"

LEGAL DESCRIPTION
EXHIBIT “A”
STREET DEDICATION

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THAT PORTION OF LOT 2 OF SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3 WEST, IN THE RANCHO SAN JACINTO-NUEVO, AS PER MAP OF PERRIS VALLEY LAND AND WATER COMPANY’S TRACT RECORDED IN BOOK 7, PAGE 38 OF MAPS, RECORDS OF SAID COUNTY AND STATE, TOGETHER WITH THAT PORTION OF GOVERNMENT LOT 1 IN SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, LYING WESTERLY OF THE WEST LINE OF SAID RANCHO SAN JACINTO-NUEVO;

ALSO KNOWN AS A.P.N. 310-180-045, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTH 44 FEET OF THE NORTH 64 FEET OF SAID LAND;

THE ABOVE DESCRIBED DEDICATION CONTAINS 22,909 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT “B”, ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.
PREPARED UNDER THE SUPERVISION OF:

[Signature]
WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 6/13/17

Reference: Preliminary Title Commitment Parcel: 6
EXHIBIT “B”
LEGAL DESCRIPTION PLAT
EXHIBIT 'B' - STREET DEDICATION

PORTION GOVT. LOT 1, SECTION 28

PORTION LOT 2, M.B. 7/38 SECTION 28

INDICTES GRANTOR BDY.
( ) INDICTES ASSESSORS MAP DATA

ASSESSOR'S PARCEL NO.: 310-180-045
SECTION 28, TOWNSHIP 4 SOUTH, RANGE 3 WEST, S.B.M.
DATED: 6/15/17 WM. STEPHEN CALKINS, P.L.S. 6890
SCALE: C&P SURVEYING, INC.
P.O. Box 1042 Blue Jay, CA 92317
1' = 60'
(909) 337-8100 Cell (909) 856-6016

REF: PTR-6
EXHIBIT "C"

NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
VIA U.S. MAIL

July 16, 2018

Sanford Y. H. Leong and Tina Chun-Tee King  
Trustees of the Leong-King Family Trust  
Mike W. Lee and Julie Lee  
1510 Vanessa Circle  
Encinitas, CA 92024

Re: APN: 310-180-045  
Property: South side of Nuevo Road, east of Murrieta Road, Perris, CA  
Subject: Offer to Purchase Property - $10,600

Dear Property Owners:

On January 2, 2018, the City of Perris (the “City”) made an offer to purchase the property identified as Assessor’s Parcel No. 310-180-045 in the City of Perris, California, located on the south side of Nuevo Road, east of Murrieta Road. The City reiterates its previous offer to purchase the property for $10,600, subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City’s governing body will consider that resolution at a meeting to be held at the following time and place:

Date: July 31, 2018  
Time: 6:30 p.m.  
Location: City of Perris, City Hall, Council Chambers, 101 North D Street, Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;

2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;

3. Whether the property sought to be acquired is necessary for the project;
4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record; and

5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City's authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City's consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (951) 943-6100 or June Ailin at (310) 527-6660.

Thank you for your cooperation in this matter.

Very truly yours,

Richard Belmudez
City Manager

cc: Habib Motlagh, City Engineer (via email)
    Eric Dunn, City Attorney (via email)
    June Ailin, Special Counsel (via email)
RESOLUTION NO. ____________________


WHEREAS, for the public purposes set forth herein, the City of Perris, California is authorized to acquire property through the exercise of eminent domain pursuant to Section 19 of Article 1 of the California Constitution, Section 1240.010 through 1240.050 of the California Code of Civil Procedure, and Sections 37350, 37350.5, 37353, and 40404 of the California Government Code; and

WHEREAS, the “Project” for which the real property described herein to be acquired is the Nuevo Road Bridge Project, which generally consists of the widening of Nuevo Road between Wilson Avenue and Evans Road to the full width of 128 feet as provided in the Circulation Element of the City’s General Plan and the replacement of Nuevo Road Bridge at the Perris Valley Storm Drain Channel (referred to herein as the “Project”); and

WHEREAS, in order to carry out and make effective the principal purpose of the Project, it is necessary for the City of Perris to acquire street right-of-way in fee simple (“Interest”) in a portion of certain privately-owned real property located on the south side of Nuevo Road, east of Murrieta Road, in the City of Perris. County of Riverside, California, Assessor’s Parcel No. 310-180-006; and

WHEREAS, the portion of the property in which the City seeks to acquire the fee simple interest for street right-of-way is described in Exhibit “A” which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit “B” which is incorporated by this reference (hereinafter the “Property”); and

WHEREAS, on or about January 2, 2018, the City made a written offer to acquire the Interest to the record owners of the Property at an amount that was not less than the appraised fair market value in compliance with Government Code Section 7267.2(a), and the owners of the
Property have not accepted said offer or otherwise conveyed the Interest to the City as of the date of this Resolution; and

WHEREAS, on July 16, 2018, a Notice of Intent to Adopt a Resolution of Necessity for Acquisition of the Interest in certain real property identified as Assessor's Parcel No. 310-180-006 (a copy of which is attached hereto as Exhibit "C" and incorporated by this reference) was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an ownership interest in the Property, and to the address appearing on said Roll, which Notice of Hearing advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

WHEREAS, the hearing that was the subject of said Notice of Hearing was held on July 31, 2018, at the time and place stated therein and all interested parties were given an opportunity to be heard on the following matters:

(a) Whether the public interest and necessity require the Project;
(b) Whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
(c) Whether the Interest proposed to be acquired is necessary for the Project;
(d) Whether an offer meeting the requirements of Government Code Section 7267.2 has been made to the owner or owners of record;
(e) Whether all other prerequisites for the exercise of eminent domain to acquire the Interest have been met; and

WHEREAS, the City Council, as a result of such hearing, has determined that the public health, safety, and welfare require the City to acquire the Interest in the Property for the stated purposes; and

WHEREAS, the City of Perris Development Services Department approved Mitigated Negative Declaration No. 2311 for the Project on May 18, 2015; and

WHEREAS, the Planning Division has determined the Project for which the Interest is being acquired is exempt from the California Environmental Quality Act pursuant to the Notice of Determination filed with the Riverside County Clerk on May 19, 2015.
NOW THEREFORE, BE IT RESOLVED, that the City Council hereby does find, determine, and declare based upon evidence presented to it as follows:

Section 1. The staff report presented regarding this matter at the July 31, 2018 hearing is incorporated herein by this reference. The facts referenced in this Resolution and the staff report, and specifically the recitals above, are found to be true and are incorporated herein by this reference. The findings made by the City Council herein are supported by substantial evidence contained in the record of this proceeding.

Section 2. The street right-of-way to be acquired in fee simple consists of a portion of the Property located within the City of Perris, County of Riverside, State of California, Assessor’s Parcel No. 310-180-006, comprising a total of 22,633 square feet, is described above and in Exhibit “A” and depicted in Exhibit “B”.

Section 3. The public interest, convenience, and necessity require the Project to accommodate growth and development as anticipated in the Land Use Element. Nuevo Road starts from the I-215 in the City of Perris and extends east into the City of Nuevo. Currently, Nuevo Road consists of two lanes from Wilson Avenue to Evans Road. The Project will expand Nuevo Road to its full width of 128 feet as provided in the Circulation Element of the City’s General Plan from Wilson Avenue to approximately 450 feet east of the Perris Valley Storm Drain Channel and replace the Nuevo Road Bridge at the Perris Valley Storm Drain Channel. The Project will improve traffic safety and emergency vehicle response times.

Section 4. The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. Nuevo Road is designated as a Primary Arterial in the Circulation Element of the City’s General Plan. The Project only requires acquisition of land and other real property interests to accomplish the objectives set forth in the Circulation Element. Widening the existing roadway is the only practical means of achieving the necessary traffic capacity. Re-routing Nuevo Road would be cost prohibitive and have a greater impact on private property owners because more private property would need to be acquired than is necessary for widening the existing roadway.
Section 5. The acquisition of the Interest is necessary for the Project because without the Interest, the Project cannot be constructed. The Interest is part of the ultimate width of Nuevo Road. Acquisition of the Interest is expressly authorized by Section 19 of Article 1 of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050 and Government Code Sections 37350, 37350.5, 37353, and 40404.

Section 6. The offer required by Government Code Section 7267.2 has been made to the owner of record of the Property, by way of letter dated January 2, 2018, and the owner of record of the Property has not accepted the City's offer.

Section 7. The City hereby declares its intent to acquire the Interest in a portion of the Property described in Exhibit "A" in the City’s name, in accordance with the provisions of the law of the State of California and finds that all conditions, statutory requirements and prerequisites to the exercise of eminent domain to acquire the Interest described herein and the Project have been complied with by the City.

Section 8. The law firm of Aleshire & Wynder, LLP, is hereby authorized and directed to prepare, institute, and prosecute in the name of the City such proceedings, in the Court having proper jurisdiction thereof, as may be necessary for the acquisition of the Interest in a portion of the Property in accordance with the provisions of the California Eminent Domain Law and the Constitution of California. Said counsel are also authorized and directed to obtain any necessary order of the Court granting the City the right of immediate possession and occupancy of the Property.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Perris this 31st day of July, 2018.

MICHAEL M. VARGAS
MAYOR OF THE CITY OF PERRIS

ATTEST:

NANCY SALAZAR
CITY CLERK
STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) ss.
CITY OF PERRIS  )

I, NANCY SALAZAR, City Clerk of the City of Perris, California, do hereby certify that Resolution No. __________ was adopted by the City Council of the City of Perris at a regular meeting held on the 31st day of July, 2018, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

__________________________
NANCY SALAZAR
CITY CLERK
EXHIBIT "A"
STREET DEDICATION

IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THAT PORTION OF WEST HALF OF GOVERNMENT LOT 1 OF FRACTIONAL SECTION
28, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, ACCORDING
TO OFFICIAL PLAT THEREOF;

ALSO KNOWN AS A.P.N. 310-180-006, MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

THE SOUTH 34 FEET OF THE NORTH 84 FEET OF SAID LAND;

THE ABOVE DESCRIBED DEDICATION CONTAINS 22,833 SQUARE FEET, MORE OR
LESS.

SEE EXHIBIT "B", ATTACHED HERETO, FOR GRAPHIC REPRESENTATION.

C & P SURVEYING, INC.

PREPARED UNDER THE SUPERVISION OF:

[Signature]
WM. STEPHEN CALKINS, P.L.S. 6890
DATE: 01/17

[Stamp]

Reference: Preliminary Title Commitment Parcel: 3
EXHIBIT “B”
LEGAL DESCRIPTION PLAT
EXHIBIT "C"

NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY
VIA U.S. MAIL

July 16, 2018

Bel Air Murrieta, LLC
4525 District Blvd.
Vernon, CA 90058

Re: APN: 310-180-006
Property: South side of Nuevo Road, east of Murrieta Road, Perris, CA
Subject: Offer to Purchase Property - $10,500

Dear Property Owner:

On January 2, 2018, the City of Perris (the "City") made an offer to purchase the property identified as Assessor's Parcel No. 310-180-006 in the City of Perris, California, located on the south side of Nuevo Road, east of Murrieta Road, Perris, CA. The City reiterates its previous offer to purchase the property for $10,500, subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City's governing body will consider that resolution at a meeting to be held at the following time and place:

Date: July 31, 2018
Time: 6:30 p.m.
Location: City of Perris, City Hall, Council Chambers, 101 North D Street, Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;

2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;

3. Whether the property sought to be acquired is necessary for the project;

4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record; and
5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City's authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City's consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (951) 943-6100 or June Aillin at (310) 527-6660.

Thank you for your cooperation in this matter.

Very truly yours,

Richard Belmudez
City Manager

c c: Habib Motlagh, City Engineer (via email)
     Eric Dunn, City Attorney (via email)
     June Aillin, Special Counsel (via email)
July 31, 2018

SUBJECT: Ordinance Amendment 18-05114 – To amend Zoning Code Chapters 19.61 “Conditional use Permits” and Chapter 19.54 “Authority and Review Procedures” to clarify inconsistencies related to Conditional Use Permit approving authority in the City of Perris.

REQUESTED ACTION: INTRODUCE First Reading of Ordinance No. (next in order) finding the project Categorically Exempt pursuant to CEQA Article 19, Section 15305, and approve Ordinance Amendment 18-05114, based on the findings contained in the Resolution and attached exhibits.

CONTACT: Dr. Grace Williams, Director of Planning and Economic Development

BACKGROUND/DISCUSSION:

On June 6, 2018, the Planning Commission unanimously recommended approval of Ordinance Amendment 18-05114 to the City Council to amend Zoning Code Chapter 19.61 “Conditional Use Permits” and Chapter 19.54 “Authority and Review Procedures” in order to align language within both chapters to clarify the role of the Planning Commission as the official review and approval authority for Conditional Use Permits within the City of Perris. In May of 1990 Ordinance 834 was adopted delegating approval authority for Conditional Use Permits to the City Council. The action resulted in the creation of Chapter 19.61 of the Zoning Code. In 2001, the City Council created the Planning Commission and, subsequently, adopted Ordinance 1097 to establish the duties of the Planning Commission, which included authority over Conditional Use Permits. The action resulted in the adoption of Chapter 19.54 of the Zoning Code; however, Chapter 19.61 was not updated to reflect the transfer in approving authority from the City Council to the Planning Commission. As a matter of promoting consistency within the Zoning Code, the proposed amendment would clarify the role of the Planning Commission as the official review and approval authority for Conditional Use Permits. Staff requests that the City Council adopt Resolution No. 18-16 finding the project Categorically Exempt pursuant to CEQA Article 19, Section 15305, pertaining to Minor Alterations in Land Use Limitations and approve Ordinance Amendment 18-05114 to clarify the Planning Commission as the approving body for Conditional Use Permits and make findings in support thereof.

BUDGET (or FISCAL) IMPACT: The cost for staff preparation of this item is included in the existing 2017-2018 General Fund.

Prepared by: Nathan G. Perez, Associate Planner
Reviewed by: Kenneth Phung, Planning Manager

Public Hearing: July 31, 2018

Assistant City Manager: Darren Madkin
Assistant City Manager: Clara Miramontes
Director of Finance: Jennifer Erwin

Attachments: 1 – Ordinance No. (next in order)
2 – Redlines of Changes to Zoning Code Chapter 19.61 “Conditional Use Permits”
3 – Redlines of Changes to Zoning Code Chapter 19.54 “Authority and Review Procedures”
4 – June 6, 2018 Planning Commission Packet
ORDINANCE NUMBER (NEXT IN ORDER)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING ORDINANCE AMENDMENT 18-05114, TO AMEND ZONING CODE CHAPTERS 19.61 "CONDITIONAL USE PERMIS" AND CHAPTER 19.54 "AUTHORITY AND REVIEW PROCEDURES" AND FIND THE PROJECT EXEMPT FROM CEQA PURSUANT TO ARTICLE 19, SECTION 15305, MINOR ALTERATIONS IN LAND USE LIMITATIONS, AND MAKE FINDINGS IN SUPPORT THEREOF.

WHEREAS, the City of Perris recognizes the need to amend Zoning Code Chapters 19.61 "Conditional Use Permits" and Chapter 19.54 "Authority and Review Procedures" to insure clarity and consistency related to Conditional Use Permit review and approval authority in the City of Perris; and

WHEREAS, Ordinance Amendment 18-05114 clarifies that the Planning Commission shall initiate proceedings for consideration of a Conditional Use Permit and that the Planning Commission shall have review and approval authority in the City of Perris; and

WHEREAS, on June 6, 2018, the Planning Commission conducted a regularly scheduled and legally noticed public hearing for Ordinance Amendment 18-05114, and recommended approval of the project after considering public testimony and accompanying documents; and

WHEREAS, on July 31, 2018, the City Council conducted a duly, noticed public hearing on the proposed amendments, considered testimony and materials in the findings, accompanying documents and exhibits; and

WHEREAS, all legal prerequisites for the adoption of this Ordinance have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris as follows:

Section 1. The above recitals are all true and correct.

Section 2. The City Council hereby determines that the project is Categorically Exempt from the California Environmental Quality Act (CEQA) guidelines pursuant to Article 19, Section 15305, pertaining to Minor Alterations in Land Use Limitations. Accordingly, the City Council adopts a Categorical Exemption in accordance with the provisions of the California Environmental Quality Act.
Section 3. Based on the information contained within the supporting exhibits, with respect to Ordinance Amendment 18-05114, the City Council finds that:

Ordinance Amendment 18-05114

A. The proposed Ordinance Amendment will not result in a significant adverse effect on the environment.

B. The proposed Ordinance Amendment will not conflict with the goals, policies, and implementation measures set forth in the General Plan and Zoning Ordinance.

C. The proposed Ordinance Amendment will not have a negative effect on public health, safety, or the general welfare of the community.

Section 4. That for the forgoing reasons the City Council approves, Ordinance Amendment 18-05114 to amend zoning code chapters 19.61, Conditional use Permit and Chapter & 19.54, Authority and Review Procedures, based on the findings presented herein.

Section 5. The City Council declares that should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words of this Ordinance shall remain in full force and effect.

Section 6. The Mayor shall sign and the Secretary shall certify to the passage and adoption of this ordinance.

ADOPTED, SIGNED, and APPROVED this 31st day of July 2018.

__________________________
Mayor, Michael M. Vargas

Attest:

__________________________
City Clerk, Nancy Salazar

STATE OF CALIFORNIA )
COUNTY OF RIVERSIDE ) §
CITY OF PERRIS )
I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance Number ____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 31st day of July 2018, by the following called vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
CHAPTER 19.61

CONDITIONAL USE PERMITS

Sections:
19.61.010 PURPOSE AND INTENT
19.61.020 APPLICATION QUALIFICATIONS
19.61.030 APPLICATION PROCEDURE
19.61.040 PUBLIC HEARING
19.61.050 FINDINGS AND CONDITIONS
19.61.060 REVOCATION
19.61.070 EXISTING PERMITS
19.61.080 EFFECTIVE DATE
19.61.090 TIME LIMIT
19.61.100 TERM
19.61.110 REVISIONS TO SITE PLAN
19.61.115 ADMINISTRATIVE COMPLIANCE REVIEW
19.61.120 FAILURE TO COMPLY

19.61.010 PURPOSE AND INTENT

The conditional use permit procedure is intended to provide for uses that are:

A. Types of Uses
   1. Necessary or desirable for the development of the community or region but are not permitted uses in the individual district due to the use’s unique character, including, but not limited to, the possible effect of the use on public facilities or surrounding uses; or
   2. Appropriate as accessories to the development of neighborhoods or the community; or
   3. Appropriate uses in the district in which they are allowed subject to a conditional use permit, but requiring specific consideration of the proposed use or development.

B. Conditions
   In granting any conditional use permit, the City Council Planning Commission shall affix those conditions which it determines will tend to safeguard the public health, convenience and general welfare in the City.

19.61.020 APPLICATION QUALIFICATIONS

Applications for conditional use permits will be accepted only from persons having legal authority to take action in accordance with the permit, such as owners or lessees of property, or their agents, or persons who have contracted to purchase property contingent upon their ability to acquire the necessary permits under this
Chapter, or the agents of such persons who may make application in the name of such owners, lessees or contract vendees.

19.61.030 APPLICATION PROCEDURE

A. Application Requirements

1. The application for conditional use permit shall be made to the Development Services Department on forms provided by the City.

2. All applications for conditional use permits must be complete before the City is required to consider the application. An application is complete when it contains all the information that is necessary for the City to decide whether or not the development, if completed as proposed, will comply with all of the requirements of this Chapter.

3. The application shall contain thereon full and complete information pertaining to the request, including a site plan of the proposed conditional use and development, and any additional and supplementary materials requested by the Director of the Development Services Department, such as detailed or technical design requirements and construction specifications relating to various types of improvements (streets, sidewalks, etc.).

4. The applicant must provide the City with a list of property owners and their addresses who reside within a radius of 300 feet of the exterior boundaries of the property, using for this purpose persons who have listed for taxation real property within that area. The list of such persons shall be certified by a title company to ensure actual property ownership.

5. Upon filing an application for a conditional use permit, a uniform fee, as established by City Council resolution and any amendments thereto, shall be paid for the purpose of defraying the costs incidental to the proceedings.

B. Investigation and Prohibition

1. The City Council Planning Commission shall investigate the facts bearing on each case to provide information necessary to assure action consistent with the intent and purpose of this Code.

2. A person may not file and the Director of the Development Services Department shall not accept an application which is the same or substantially the same as an application upon which final action has been taken by the City within 12 months prior to the date of said application, unless accepted by a motion of the City Council Planning Commission.
PUBLIC HEARING

Upon the filing of a verified application, the Development Services Department shall set a public hearing before the City Council Planning Commission when the Director of Development Services has determined that the application is in compliance with this Code and the California Environmental Quality Act.

The notice and public hearing procedure shall be consistent with Chapter 19.56, PUBLIC HEARING PROCEDURES.

FINDINGS AND CONDITIONS

The City Council Planning Commission may not grant a conditional use permit for any use for which a conditional use permit may be granted under any provision of this Code unless it has first found from the evidence admitted during the hearing before the Commission that the proposed use meets the findings contained in Section 19.54.040 C.

REVOCATION

A. Public Hearing

The City Council Planning Commission, on its own motion at a public hearing, may revoke or modify a conditional use permit upon making one of the findings in Section 19.61.060 C. (Ord. 1126 § 4, 2004)

B. Written Notice

Written notice of such public hearing shall be served on the owner of the property for which such conditional use permit was granted and in accordance with Section 19.56, at least 10 days before such public hearing. Said notice shall be served upon the permittee either personally or by registered mail, postage prepaid, return receipt requested.

C. Revocation Findings

A Conditional Use Permit may be revoked or modified upon the making of one or more of the following findings: (Ord. 1126 § 4, 2004)

1. That the use is detrimental to the public health or safety or is a nuisance.
2. That the conditional use permit was obtained by fraud.
3. The use for which the permit was granted is not being exercised.
4. That the use for which the permit was granted has ceased or discontinued for a period of one year, or been suspended or abandoned for a period of one year or more.
5. That the conditions of the improvements, if any, on a property for which a nonconforming conditional use permit is operative, is such that they can be used or altered so as to be used in conformity with
the uses permitted in the zone in which such property is located without impairing the constitutional rights of any person.

6. That the property owner has not complied with any or all conditions of the conditional use permit.

D. City Council Planning Commission Action

After a hearing upon the revocation of a conditional use permit, the City Council Planning Commission shall report its findings of fact and recommendations and shall determine the facts and may revoke, modify, or allow to remain unchanged the conditional use permit in accordance with the City Council Planning Commission's final determination in such matters.

19.61.070 EXISTING PERMITS

Any conditional use permit granted pursuant to any zoning ordinance enacted prior to the effective date of the ordinance codified in this Chapter shall be construed to be a conditional use permit under this Title, subject to all conditions imposed in such permit unless otherwise provided in this Chapter. Such permit may, however, be revoked or voided as provided in Section 19.61.060.

19.61.080 EFFECTIVE DATE

No conditional use permit granted or authorized as provided in this Chapter shall become effective until 10 days after the date of the decision of the City Council Planning Commission granting and authorizing said conditional use permit or until the effective date thereof as provided in the permit; provided, that the latter date is more than 10 days later than the effective date of said resolution.

19.61.090 TIME LIMIT

The determination of the City Council Planning Commission granting a permit shall contain as a condition thereof the following: "The permit hereby allowed is conditioned upon the privileges being utilized within 36 months after the effective date, and if they are not utilized or less than 10 percent of the total cost of construction, erection, alteration, excavation, demolition, or similar work on any development authorized by such permits has been completed on the site, this authorization shall become void, and any development deemed to have lapsed." The City Council or Planning Commission, however, shall have authority to extend the time limit in accordance with Section 19.50.070 upon a finding of unavoidable delay. Once any portion of the conditional use permit is utilized, the other conditions thereof become immediately operative and must be strictly complied with. (Ord. 1255, 6/09)
19.61.100 TERM

Each Conditional Use Permit lawfully existing at the time of adoption of the ordinance amending this Section, and those Conditional Use Permits granted in compliance with the provisions of this Chapter, shall remain in effect for the effective life of the business service, or use authorized by such Permit, subject to any conditions of approval or operating standards imposed by the Planning Commission of City Council. Such Permit shall remain in effect upon a change of ownership, provided the new owner/operator agrees in writing to all applicable conditions and operating standards prior to reopening or maintaining the use under new ownership. To allow for minor deviations in operating standards and conditions, the Development Services Director may make an administrative determination that a use is in substantial compliance with an approved Conditional Use Permit.

The Development Services Director may approve minor changes to the required conditions and operating standards of an approved Conditional Use Permit. (Ord. 1126 § 5, 2004)

19.61.110 REVISIONS TO SITE PLAN

A. Approval of Minor Revisions

Minor revisions to a site plan approved as part of a conditional use permit may be made after review and approval by the Director of Development Services. Minor revisions are defined as revisions which in no way violate the intent of any of the standards or conditions of the permit or of the zone.

B. Non-Minor Revisions

Revisions other than minor revisions, as defined in subsection (A) of this section, may be pursued consistent with the regular conditional use permit procedures set forth in this Chapter.

C. Approved Site Plans

All copies of the approved revised site plan shall be dated and signed by the Director of Development Services and made a part of the record of the subject conditional use permit. One copy of said approved revised site plan shall be mailed to the applicant.

19.61.115 ADMINISTRATIVE COMPLIANCE REVIEW

The Development Services Department will monitor compliance with required conditions of approval and will conduct an administrative compliance review every five years after approval of any Conditional Use Permit. However, nothing in this section shall preclude the Director of Development Services, at his/her discretion or upon the direction of the City Council Planning Commission, from initiating an administrative compliance review at any time during the effective life of a Conditional Use Permit. The permittee shall pay the required fee as adopted.
by resolution for an administrative compliance review.

During the administrative compliance review, the Development Services Department shall inspect the subject property to determine compliance with all conditions of approval or other operational standards. Upon determination that the property or use is not in compliance, the permittee shall immediately bring the property or use into compliance. The Development Services Department may grant a limited extension provided the permittee agrees in writing to a schedule for bringing the property or use into compliance.

If after the administrative compliance review the property or use is not brought into compliance in accordance with this Section, the Development Services Department may, in addition to any other remedy, recommend to the Planning Commission that the Conditional Use Permit be revoked or modified. (Ord. 1126 § 6, 2004)

19.61.120 FAILURE TO COMPLY

Noncompliance with any condition on a conditional use permit shall be a violation of this Title and constitute a criminal misdemeanor offense unless, at the discretion of the City Attorney, such offense is charged as in infraction pursuant to Section 1.16.010 of this Code.
CHAPTER 19.54
AUTHORITY AND REVIEW PROCEDURES

Sections:
19.54.010 PURPOSE
19.54.020 AUTHORITY
19.54.030 REVIEW AUTHORITY AND PROCESSING PROCEDURES
19.54.040 FINDINGS OF APPROVAL FOR DISCRETIONARY APPLICATIONS
19.54.050 FINDINGS OF APPROVAL FOR NON-DISCRETIONARY APPLICATIONS
19.54.060

19.54.010 PURPOSE

The purpose of this Chapter is to establish the authority to adopt and procedures to evaluate the following applications and actions:

Zone Changes
Zoning Ordinance Amendments
Specific Plans
Conditional Use Permits
Variances
Administrative Permits
Permitted Uses
Temporary Outdoor Uses
Modifications to Specific Plans, Conditional Use Permits, and Variances
Administrative Determination
Minor Adjustments
Development Plan Review
Letters of Public Convenience or Necessity
(Ord. 1103, 6/02)

19.54.20 AUTHORITY

The authority for each type of application identified in Section 19.54.010 PURPOSE, is as follows:

A. Zone Changes and Zoning Ordinance Amendments

The California Government Code allows jurisdictions to adopt and amend criteria which regulate the use of property located within specified districts or categories. Such changes or amendments shall be undertaken consistent with State law and local procedures. The Planning Commission is authorized to review and recommend either approval or denial to the City Council. The City Council is authorized to approve or disapprove any proposed requests.
B. Specific Plans

The California Government Code allows local jurisdictions to adopt and amend Specific Plans to implement a City's General Plan, provided it is prepared pursuant to Section 65450 of the California Government Code. Specific Plans may be prepared for single or multiple uses including but not limited to residential, commercial, industrial, or recreational activities. Such changes or amendments shall be undertaken consistent with State law and local procedures. The Planning Commission is authorized to review and recommend either approval or denial to the City Council. The City Council is authorized to approve or disapprove any requests.

C. Conditional Use Permits

The California Government Code allows for the adoption of regulations which require a use permit be obtained for the operation of specified uses. Use permits may require compliance with certain conditions of approval prior to the issuance of a permit to operate or building permit. The Planning Commission is authorized to approve and deny any requests.

D. Variances

The California Government Code allows for the adoption of regulations which permit the Planning Commission to grant a variance from the required development standards contained in a Zoning Ordinance when practical difficulties, unnecessary hardships or results inconsistent with the general purpose of this Title result through the strict and literal interpretation and enforcement of the provisions of this Title. The Planning Commission is authorized to approve or deny any requests.

E. Administrative Permits

The California Government Code allows jurisdictions to require a non discretionary permit for the establishment of a large family day care home on lots zoned for single-family dwellings. The purpose of the permit can be granted by the designated City official provided the proposed use complies with all adopted local ordinances. The Director of Planning and Community Development is authorized to approve any requests consistent with existing City ordinances and policies.

F. Permitted Uses

The California Government Code allows for the regulation of land uses and buildings. The land uses identified as Permitted Uses are allowed by right, subject only to their compliance with existing City regulations.
Director of Planning and Community Development is authorized to approve or deny any projects consistent with existing City ordinances and policies.

G. Temporary Outdoor Uses

The California Government Code allows for the regulation of land uses and buildings. Temporary outdoor uses are allowed subject to their appropriateness, the availability of land, and their compliance with existing City regulations. The Director of Planning and Community Development is authorized to approve, conditionally approve, or deny any requests.

H. Administrative Determinations

When a use is not listed specifically as either a permitted use or conditionally permitted use under a particular Zoning district or category, the Director of Planning and Community Development shall have the authority to determine whether the use is sufficiently similar to other uses in the particular zone to justify a finding that it should be deemed either a permitted use or conditionally permitted use. The Director of Planning and Community Development is authorized to approve or disapprove any requests consistent with the provisions of this Chapter.

I. Minor Adjustments

When the strict application of the provisions of this Title would be impractical or result in a hardship, a minor adjustment may be authorized by the Director of Planning and Community Development subject to the limitations listed below. Should a request for a minor adjustment be beyond the limitations listed below or considered either too controversial or significant to surrounding property owners or residents, the Director may, at his/her discretion, require the formal filing of a variance request. The Director of Planning and Community Development is authorized to approve or deny the following minor adjustments to the standards contained in the Development Code:

1. Setbacks/Landscaping: Reduce required setback or landscape areas up to 25 percent.
2. Parking: Reduce required parking up to 25 percent.
3. Height/Coverage: Increase the allowable structure height or lot coverage up to 25 percent.
4. Walls/Fences: Increase the height of walls or fences up to 25 percent.
5. Freestanding Signs: Increase the height of freestanding

19.54 - 3
signs up to 25 percent.

J. Development Plan Review

The California Government Code allows for adoption of regulations for the review of Development Projects. Development Plans may require compliance with certain conditions of approval prior to issuance of a permit to operate or a building permit. The Director of Planning and Community Development, the Planning Commission, or City Council, as specified in Section 19.54.030, is authorized to approve, conditionally approve, or deny any requests.

K. Letter of Public Convenience or Necessity

The California Business and Professions Code provides for City review of alcoholic beverage control licenses where there is an “undue concentration” and a determination that the public convenience or necessity would be served by the issuance of a license. The Planning Commission is authorized to approve or deny any requests for determination of public convenience or necessity.

(Ord. 1103, 6/02)

19.54.30 REVIEW AUTHORITY AND PROCESSING PROCEDURES

A. Processing Review and Authority

1. Review and Approval Authority

All actions covered by this Chapter shall be processed in the manner prescribed below. The following matrix outlines the actions, review authority, and approval authority for each type of application:
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<th>TYPE OF ACTION</th>
<th>TYPE OF APPLICATION</th>
<th>REVIEW AUTHORITY</th>
<th>APPROVAL AUTHORITY</th>
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<td>Discretionary</td>
<td>• Administrative Determinations</td>
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<td>• Director of Planning &amp; Community Development</td>
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<td>• Administrative Development Plan Review (More than 4 Single-Family, less than 4 Multi-Family, New Non-Residential less than 2,500 square feet, and conversion of residential structure to non-residential use)</td>
<td>• Staff</td>
<td>• Director of Planning &amp; Community Development</td>
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<td>• Agricultural Preserve Applications</td>
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<td>• Responsible Agencies</td>
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<td>• Planning Commission</td>
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<td>• Annexations</td>
<td>• Staff</td>
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<td>• Conditional Use Permits</td>
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<th>TYPE OF APPLICATION</th>
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<td>• General Plan Amendments</td>
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<td>• Major Modifications</td>
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2. Referral to Next Higher Authority

The Director of Planning and Community Development may refer an application to the next higher authority due to special issues, impacts related to the project, or controversy.

3. Multiple and Concurrent Applications

When multiple applications related to a project are concurrently processed and that project also contains an application which requires review and determination by a higher authority, then all these applications, with the exception of sign permits, shall be reviewed and referred to the higher authority for determination.
The final environmental determination and decision on all of the concurrent applications related to a project shall be made by the highest level of Approval Authority for any of the applications. For example the City Council shall review and determine the final action for all applications concurrently processed with a General Plan Amendment or Zone Change.

4. Modifications

Major Modifications to approved projects shall be reviewed and a determination shall be made by the same authority as required for initial approval. Minor Modifications shall be reviewed and a determination shall be made by the Director of Planning and Community Development. The Director of Planning and Community Development shall be responsible for determining whether or not a proposed modification is deemed significant depending on the circumstances involved and should be considered a Major Modification or Minor Modification. The approval of Major or Minor Modifications to approved projects shall not extend the expiration date of the original project approvals, unless specified in the conditions of approval of said modification.

5. Violation of Conditions

Whenever a permit is conditionally approved or modified by the approving authority, the use or enjoyment of the permit approval without observance or in violation of any such conditions shall constitute a violation of the Code. Violations may be enforced in accordance with the processes and procedures for violations of the Code, or may constitute grounds for the permit to be revoked or suspended as provided in this Code.

B. Processing Procedures

1. All development applications are subject to City review, except as exempted in Section 19.50.030.

2. Abandonment of Applications

   a. An application for permits or approvals as specified in this Chapter shall be deemed to have been abandoned when information and/or fees have been requested in writing to complete or continue application processing and the requested information and/or fees have not been received by the Planning Division within ninety (90) days of the request.

19.54 - 8
b. The applicant may provide a written request for extension, which must be supported by a written explanation of the delay, stating the date by which the further application material and or fees will be submitted. If the Director finds that special circumstances exist and that unusual hardship to the applicant would result from deeming the application abandoned, the Director may extend the period during which the required material must be submitted. If the required material has not been submitted by the new date and if the Director has not further extended the allowable period, the application shall be deemed abandoned without further notification.

3. Final Effective Date of Approvals

The final effective date of any approval shall be the first business day after all applicable appeals periods have lapsed, or the final action has occurred on any appeal. Permits shall not be issued and land uses or construction shall not commence for any use or structure involved in any application required by this Code until the final effective date of the required approvals.

(Ord. 1103 6/02)

19.54.40 FINDINGS OF APPROVAL FOR DISCRETIONARY APPLICATIONS

A. Zone Change

The purpose of a zone change is to ensure the City can modify land use requirements to reflect the changing needs of the area and ensure compatibility with the City's General Plan. Prior to granting approval of a zone change application the following findings shall be adopted:

1. The proposed zoning is consistent with the General Plan Land Use Map and applicable General Plan objectives, policies, and programs.
2. The proposed zoning is compatible with or provides adequate buffering of adjoining uses.
3. The proposed zoning is a logical extension of the existing zoning pattern.

B. Specific Plans

The purpose of a Specific Plan is to allow the City to prepare unique policies and development standards which respond to the specific needs of individual projects. Prior to granting approval of a Specific Plan application the following findings shall be adopted:

19.54 - 9
1. The Specific Plan is consistent with the General Plan Land Use Map and applicable General Plan objectives, policies, and programs.

2. The Specific Plan provides adequate text and diagrams to adequately address the following issues in detail:
   1. The distribution, location, and extent of the uses of land, including open space, within the area covered by the Plan.
   2. The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the Plan and needed to support the land uses described in the Plan.
   3. Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
   4. A program of implementation measures including regulation, programs, public works projects, and financing measures necessary to carry out the provisions contained in paragraphs a, b, and c above.

C. Conditional Use Permits

The purpose of a conditional use permit is to: Assure compatibility of the proposed use with other existing and potential uses within the general area; assure the proposed use is consistent and compatible with the purpose of the zone in which it is located; and, recognize and compensate for potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, and hazards. Prior to granting approval of a conditional use permit the following findings shall be adopted:

1. The proposed location of the conditional use is in accord with the objectives of this Title and the purposes of the zone in which the site is located.

2. The proposed plan is consistent with the City's General Plan and conforms to all Specific Plans, zoning standards, applicable subdivision requirements, and other ordinances and resolutions of the City.

3. The proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

4. The architecture proposed is compatible with community standards and protects the character of adjacent development.

5. The landscaping plan ensures visual relief and provides an attractive environment for the public's enjoyment.
D. **Variances**

The purpose of a variance is to allow for deviations from the standards contained in this Title. Variances from the terms of the Development Code shall be granted only when, because of special circumstances applicable to the property, including size, shape, topography, location or surroundings, the strict application of the Development Code deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification. Those standards which are determined administratively or at the discretion of the Planning commission shall not be subject to the variance provisions. A variance shall not be granted for a parcel of property which authorizes a use or activity which is not otherwise expressly authorized by the Development Code governing the property. Prior to granting approval of a variance the following findings shall be adopted:

1. There are unique physical circumstances applicable to the subject land, including size, shape, topography, location or surroundings. If the reviewing body finds that the physical circumstances are similar to other parcels in the zone, such circumstances are not unique and a variance shall not be granted.

2. The strict application of zoning standards deprives the property of the right to use the land in manner enjoyed by other conforming property in the vicinity under identical zoning standards.

3. The granting of the variance and any appropriate conditions of approval shall not constitute a grant of special privileges which other conforming property properties in the vicinity do not enjoy under identical zoning standards.

4. The granting of the variance will not adversely affect the objectives, policies, and programs contained in the City's General Plan.

E. **Major Modifications to Specific Plans, Conditional Use Permits, Development Plan Reviews, and Variances**

Modifications to approved plan can occur due to changes necessitated by other agencies or the desire to refine the plan to meet changing economic or social needs. Major modifications involve significant design changes which could, for example, modify the original character of the development, building, or use, such as an increase in residential densities, diminishment of open space areas, reorientation of building or entrance areas. A minor revision would not violate the intent of any of the standards or conditions or the permit or the zone. The Director of Planning and Community Development will be responsible for
determining whether or not a proposed modification is deemed significant, depending on the circumstances involved.

F. Development Plan Reviews

The purpose of the Development Plan Review is to protect the health, safety, and welfare of the citizens of the City; to ensure that all development proposed within the City is consistent with the City’s General Plan, Zoning, any applicable Specific Plan, and City requirements to protect and enhance the built and natural environment of the City, identifying and mitigating potential impacts that could be generated by the proposed use, such as traffic, noise, smoke, dust, fumes, vibration, odors, other hazards, or community impacts. The City's review process it shall include the evaluation of certain development impacts and standards, including, but not limited to the following:

1. The proposed development is consistent with the allowed Zoning restrictions, in addition to drainage, waste disposal, street dedication, fire safety, and other appropriate regulations.
2. The following are constructed and arranged so that traffic congestion is avoided, pedestrian and vehicular safety and welfare are protected, and there will be no adverse effect on surrounding property:
   a. Buildings, structures, and improvements
   b. Parking, vehicular ingress/egress and internal circulation
   c. Setbacks
   d. Height of buildings
   e. Service areas
   f. Walls and fences
   g. Landscaping
   h. Architectural compatibility with zoning standards, applicable Specific Plans, and surrounding development
3. All utility facilities are underground, unless otherwise authorized by Perris Municipal Code Chapter 13.04.
4. Proposed lighting is located so as to reflect the light away from adjoining properties.
5. Proposed signs will not, by size, location, color or lighting, interfere with traffic, limit visibility, contribute to overhead clutter, or create a public nuisance.
6. All applicable public easements and rights-of-way have been dedicated or offered for dedication.
7. All required infrastructure and improvements are included within the proposed development or the conditions of approval.

Prior to granting approval of a Development Plan Review the following findings shall be adopted:
1. The location, size, design, density and intensity of the proposed development and improvements are consistent with the City's General Plan, any applicable Specific Plans, the purposes and provisions of this Title, the purposes of the Zone in which the site is located, and the development policies and standards of the City.

2. The subject site is physically suitable, including but not limited to parcel size, shape, access, and availability of utilities and services, for the type of development proposed.

3. The proposed development and the conditions under which it would be operated or maintained is compatible with abutting properties and will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

4. The architecture proposed is compatible with community standards and protects the character of adjacent development.

5. The landscaping plan ensures visual relief and provides an attractive environment for the public's enjoyment.

6. The safeguards necessary to protect the public health, safety and general welfare have been required for the proposed project.

G. Administrative Determinations

The purpose of an administrative determination is to provide a process whereby uses can be administratively added to a particular zone or zones without processing a formal amendment to the Zoning Ordinance. Prior to granting approval or an administrative determination the following findings shall be adopted:

1. The proposed use is consistent with the purpose of the Zoning Ordinance and the particular zone or zones in which it is to be added.

2. The proposed use and its operation are compatible with the uses allowed in the zone.

3. The proposed use is similar to one or more uses in the zone or zones it is to be added.

H. Minor Adjustments

The purpose of a minor adjustment is to administratively approve deviations from Development Code standards when the changes are deemed to be minor and will not adversely affect the public health or the safety of adjoining properties. Prior to granting approval of a minor adjustment the following findings shall be adopted:

1. The proposed adjustment does not adversely affect the adjoining property owners or uses.

2. The proposed adjustment is necessary for the effective operation of the use or associated facilities.
3. The necessity for the adjustment is adequately justified, including through the use of special studies.

I. Letter of Public Convenience or Necessity

The purpose of the Letter of Public Convenience or Necessity is to allow the City to consider requests for issuance alcoholic beverage control permits in areas "undue concentration" and make a determination that the public convenience and necessity would be served by the issuance of a permit. In order for the City to grant such a request the Director of Planning and Community Development shall consider the applicant's request, consult with the City's Police Chief and City Attorney as necessary, review and recommend a course of action to the Planning Commission. The Planning Commission must consider the matter and determine whether the public convenience and necessity would be served by the issuance of a permit. Prior to granting approval of a Letter of Public Convenience or Necessity the following findings shall be adopted:

1. Applicant has submitted a written request for a letter of public convenience and necessity to the City, indicting the reasons for request.
2. The census tract within the project site is located is determined to have an "undue concentration" of alcoholic beverage licenses.
3. Applicant has submitted a request for a particular type of alcoholic beverage license, license upgrade, or premises-to-premises transfer.
4. License applicant has a valid City issued permit for the associated use, which caters to the needs of the community, by providing public convenience or necessity.
5. The issuance of a particular type of alcoholic beverage license, license upgrade, or premises-to-premises transfer will continue to provide for public convenience and necessity.

J. Temporary Use Permits

Temporary outdoor events are those uses which shall be allowed provided they comply with existing City ordinances and policies. The actions undertaken by the City in the review and approval of these uses is to ensure each proposed use meets the City's existing regulation and that the applicant is appraised of these requirements. To accomplish this the City will distribute each proposed project, either formally or informally, to affected departments or agencies to obtain their comments and conditions. Upon completion of the City's review a letter shall be issued to the applicant stipulating the requirements/actions that must be taken to comply with existing City requirements. The letter shall attempt to be as comprehensive as possible in an effort to provide the applicant with the greatest amount of information to enable the proper development of the proposed project. The City will not be responsible for enforcing the
requirements noted by other agencies. As part of the City's review process it shall evaluate factors including but not limited to the following:
1. Compliance with Fire Department and other life safety criteria.
2. Compliance with Building Department criteria.
3. Adequate traffic circulation, ingress/egress and off-site parking.
4. Adequate restroom facilities.
5. Trash collection and disposal
6. Adequate insurance
7. Adequate security
8. Compliance with City sign regulations in Chapter 19.75

(Ord. 1103 6/02)

19.54.50 FINDINGS OF APPROVAL FOR NON-DISCRETIONARY APPLICATIONS

A. Permitted Uses

Permitted uses are those uses which shall be allowed provided they comply with existing City ordinances and policies. However, land uses proposed to occupy a lot containing an abandoned building or structure, shall be subject Development Plan Review and to the applicable review and approving authorities as specified in Chapter 19.50 (Development Plan Requirements) and Section 19.54.030 (Authority and Review Procedures). The actions undertaken by the City in the review and approval of these uses is to ensure each proposed use meets the City's existing regulations and that the applicant is appraised of these requirements. To accomplish this the City will distribute each proposed project, either formally or informally, to affected departments or agencies to obtain their comments and conditions. Upon completion of the City's review a letter shall be issued to the applicant stipulating the requirements/actions that must be taken to comply with existing City requirements. The letter shall attempt to be as comprehensive as possible in an effort to provide the applicant with the greatest amount of information to enable the proper development of the proposed project. The City will not be responsible for enforcing the requirements noted by other agencies. As part of the City's review process it shall evaluate factors including but not limited to the following:
1. The proposed use and structure consistent with the allowed Zoning restrictions, in addition to drainage, waste disposal, street dedication, fire safety, and other appropriate regulations.
2. The following are so arranged that traffic congestion is avoided and pedestrian and vehicular safety and welfare are protected, so that there will be no adverse effect on surrounding property:
   a. Buildings, structures, and improvements
   b. Parking, vehicular ingress/egress and internal circulation
c. Setbacks

d. Height of buildings

e. Service areas

f. Walls and fences

g. Landscaping

h. Architectural compatibility with zoning standards, applicable Specific Plans, and surrounding development

3. All utility facilities are underground, unless otherwise authorized by Perris Municipal Code Chapter 13.04.

4. Proposed lighting is so located as to reflect the light away from adjoining properties

5. Proposed signs will not, by size, location, color or lighting, interfere with traffic or limit visibility.

6. All applicable public easements and rights-of-way have been dedicated or offered for dedication.

(Ord. 1103 6/02)
PLANNING COMMISSION

AGENDA SUBMITTAL

June 6, 2018

SUBJECT: Ordinance Amendment 18-05114 – To amend Zoning Code Chapters 19.61 “Conditional Use Permits” and Chapter 19.54 “Authority and Review Procedures” to clarify inconsistencies related to Conditional Use Permit approving authority in the City of Perris.

REQUESTED ACTION: Adopt Resolution No. 18-16 finding the project Categorically Exempt pursuant to CEQA Article 19, Section 15305, and recommending approval of Ordinance Amendment 18-05114 to the City Council, based on the findings contained in the Resolution and attached exhibits.

CONTACT: Dr. Grace Williams, Director of Planning and Economic Development

BACKGROUND/DISCUSSION:

The purpose of this Ordinance Amendment is to amend Zoning Code Chapter 19.61 “Conditional Use Permits” and Chapter 19.54 “Authority and Review Procedures” in order to align language within both chapters related to the approving authority for Conditional Use Permits within the City of Perris. In May of 1990 Ordinance 834 was adopted delegating approval authority for Conditional Use Permits to the City Council. The action resulted in the creation of Chapter 19.61 of the Zoning Code. In 2001, the City Council created the Planning Commission and, subsequently, adopted Ordinance 107 to establish the duties of the Planning Commission, which included authority over Conditional Use Permits. The action resulted in the adoption of Chapter 19.54 of the Zoning Code; however, Chapter 19.61 was not updated to reflect the transfer in approving authority from the City Council to the Planning Commission. As a matter of promoting consistency within the Zoning Code, the proposed amendment would clarify the role of the Planning Commission as the official review and approval authority for Conditional Use Permits within the City of Perris. Staff requests that the Planning Commission find the project Categorically Exempt pursuant to CEQA Article 19, Section 15305, pertaining to Minor Alterations in Land Use Limitations and recommend adoption of Resolution No. 18-16 and make findings in support thereof.

BUDGET/ (or FISCAL) IMPACT: The cost for staff preparation of this item is included in the existing 2017-2018 General Fund.

Prepared by: Brian Muhu, Assistant Planner
Reviewed by: Kenneth Phung, Planning Manager
City Attorney: N/A
Finance Director: N/A

Public Hearing: June 6, 2018

Exhibits:
A Redlines of Changes to Zoning Code Chapter 19.61 “Conditional Use Permits”
B Redlines of Changes to Zoning Code Chapter 19.54 “Authority and Review Procedures”
C Resolution No. 18-16
D Ordinance

Attachment 4
CHAPTER 19.61

CONDITIONAL USE PERMITS

Sections:
19.61.010 PURPOSE AND INTENT
19.61.020 APPLICATION QUALIFICATIONS
19.61.030 APPLICATION PROCEDURE
19.61.040 PUBLIC HEARING
19.61.050 FINDINGS AND CONDITIONS
19.61.060 REVOCATION
19.61.070 EXISTING PERMITS
19.61.080 EFFECTIVE DATE
19.61.090 TIME LIMIT
19.61.100 TERM
19.61.110 REVISIONS TO SITE PLAN
19.61.115 ADMINISTRATIVE COMPLIANCE REVIEW
19.61.120 FAILURE TO COMPLY

19.61.010 PURPOSE AND INTENT

The conditional use permit procedure is intended to provide for uses that are:

A. Types of Uses
   1. Necessary or desirable for the development of the community or region but are not permitted uses in the individual district due to the use's unique character, including, but not limited to, the possible effect of the use on public facilities or surrounding uses; or
   2. Appropriate as accessories to the development of neighborhoods or the community; or
   3. Appropriate uses in the district in which they are allowed subject to a conditional use permit, but requiring specific consideration of the proposed use or development.

B. Conditions
   In granting any conditional use permit, the City Council Planning Commission shall affix those conditions which it determines will tend to safeguard the public health, convenience and general welfare in the City.

19.61.020 APPLICATION QUALIFICATIONS

Applications for conditional use permits will be accepted only from persons having legal authority to take action in accordance with the permit, such as owners or lessees of property, or their agents, or persons who have contracted to purchase property contingent upon their ability to acquire the necessary permits under this
Chapter, or the agents of such persons who may make application in the name of such owners, lessees or contract vendees.

19.61.030 APPLICATION PROCEDURE

A. Application Requirements
   1. The application for conditional use permit shall be made to the Development Services Department on forms provided by the City.
   2. All applications for conditional use permits must be complete before the City is required to consider the application. An application is complete when it contains all the information that is necessary for the City to decide whether or not the development, if completed as proposed, will comply with all of the requirements of this Chapter.
   3. The application shall contain thereon full and complete information pertaining to the request, including a site plan of the proposed conditional use and development, and any additional and supplementary materials requested by the Director of the Development Services Department, such as detailed or technical design requirements and construction specifications relating to various types of improvements (streets, sidewalks, etc.).
   4. The applicant must provide the City with a list of property owners and their addresses who reside within a radius of 300 feet of the exterior boundaries of the property, using for this purpose persons who have listed for taxation real property within that area. The list of such persons shall be certified by a title company to ensure actual property ownership.
   5. Upon filing an application for a conditional use permit, a uniform fee, as established by City Council resolution and any amendments thereto, shall be paid for the purpose of defraying the costs incidental to the proceedings.

B. Investigation and Prohibition
   1. The City Council Planning Commission shall investigate the facts bearing on each case to provide information necessary to assure action consistent with the intent and purpose of this Code.
   2. A person may not file and the Director of the Development Services Department shall not accept an application which is the same or substantially the same as an application upon which final action has been taken by the City within 12 months prior to the date of said application, unless accepted by a motion of the City Council Planning Commission.
19.61.040  PUBLIC HEARING

Upon the filing of a verified application, the Development Services Department shall set a public hearing before the City Council Planning Commission when the Director of Development Services has determined that the application is in compliance with this Code and the California Environmental Quality Act.

The notice and public hearing procedure shall be consistent with Chapter 19.56, PUBLIC HEARING PROCEDURES.

19.61.050  FINDINGS AND CONDITIONS

The City Council Planning Commission may not grant a conditional use permit for any use for which a conditional use permit may be granted under any provision of this Code unless it has first found from the evidence admitted during the hearing before the Council that the proposed use meets the findings contained in Section 19.54.040 C.

19.61.060  REVOCATION

A.  Public Hearing

The City Council Planning Commission, on its own motion at a public hearing, may revoke or modify a conditional use permit upon making one of the findings in Section 19.61.060 C. (Ord. 1126 § 4, 2004)

B.  Written Notice

Written notice of such public hearing shall be served on the owner of the property for which such conditional use permit was granted and in accordance with Section 19.56, at least 10 days before such public hearing. Said notice shall be served upon the permittee either personally or by registered mail, postage prepaid, return receipt requested.

C.  Revocation Findings

A Conditional Use Permit may be revoked or modified upon the making of one or more of the following findings: (Ord. 1126 § 4, 2004)

1. That the use is detrimental to the public health or safety or is a nuisance.
2. That the conditional use permit was obtained by fraud.
3. That the use for which the permit was granted is not being exercised.
4. That the use for which the permit was granted has ceased or discontinued for a period of one year, or been suspended or abandoned for a period of one year or more.
5. That the conditions of the improvements, if any, on a property for which a nonconforming conditional use permit is operative, is such that they can be used or altered so as to be used in conformity with
that they can be used or altered so as to be used in conformity with the uses permitted in the zone in which such property is located without impairing the constitutional rights of any person.

6. That the property owner has not complied with any or all conditions of the conditional use permit.

**D. City Council Planning Commission Action**

After a hearing upon the revocation of a conditional use permit, the City Council Planning Commission shall report its findings of fact and recommendations and shall determine the facts and may revoke, modify, or allow to remain uncharged the conditional use permit in accordance with the City Council's Planning Commission's final determination in such matters.

19.61.070 EXISTING PERMITS

Any conditional use permit granted pursuant to any zoning ordinance enacted prior to the effective date of the ordinance codified in this Chapter shall be construed to be a conditional use permit under this Title, subject to all conditions imposed in such permit unless otherwise provided in this Chapter. Such permit may, however, be revoked or voided as provided in Section 19.61.060.

19.61.080 EFFECTIVE DATE

No conditional use permit granted or authorized as provided in this Chapter shall become effective until 10 days after the date of the decision of the City Council Planning Commission granting and authorizing said conditional use permit or until the effective date thereof as provided in the permit; provided, that the latter date is more than 10 days later than the effective date of said resolution.

19.61.090 TIME LIMIT

The determination of the City Council Planning Commission granting a permit shall contain as a condition thereof the following: "The permit hereby allowed is conditioned upon the privileges being utilized within 36 months after the effective date, and if they are not utilized or less than 10 percent of the total cost of construction, erection, alteration, excavation, demolition, or similar work on any development authorized by such permits has been completed on the site, this authorization shall become void, and any development deemed to have lapsed." The City Council or Planning Commission, however, shall have authority to extend the time limit in accordance with Section 19.50.070 upon a finding of unavoidable delay. Once any portion of the conditional use permit is utilized, the other conditions thereof become immediately operative and must be strictly complied with. (Ord. 1255, 609)
19.61.100  TERM

Each Conditional Use Permit lawfully existing at the time of adoption of the ordinance amending this Section, and those Conditional Use Permits granted in compliance with the provisions of this Chapter, shall remain in effect for the effective life of the business service, or use authorized by such Permit, subject to any conditions of approval or operating standards imposed by the Planning Commission or City Council. Such Permit shall remain in effect upon a change of ownership, provided the new owner operator agrees in writing to all applicable conditions and operating standards prior to reopening or maintaining the use under new ownership. To allow for minor deviations in operating standards and conditions, the Development Services Director may make an administrative determination that a use is in substantial compliance with an approved Conditional Use Permit.

The Development Services Director may approve minor changes to the required conditions and operating standards of an approved Conditional Use Permit. (Ord. 1126 § 5, 2004)

19.61.110  REVISIONS TO SITE PLAN

A. Approval of Minor Revisions
Minor revisions to a site plan approved as part of a conditional use permit may be made after review and approval by the Director of Development Services. Minor revisions are defined as revisions which in no way violate the intent of any of the standards or conditions of the permit or of the zone.

B. Non-Minor Revisions
Revisions other than minor revisions, as defined in subsection (A) of this section, may be pursued consistent with the regular conditional use permit procedures set forth in this Chapter.

C. Approved Site Plans
All copies of the approved revised site plan shall be dated and signed by the Director of Development Services and made a part of the record of the subject conditional use permit. One copy of said approved revised site plan shall be mailed to the applicant.

19.61.115  ADMINISTRATIVE COMPLIANCE REVIEW

The Development Services Department will monitor compliance with required conditions of approval and will conduct an administrative compliance review every five years after approval of any Conditional Use Permit. However, nothing in this section shall preclude the Director of Development Services, at his/her discretion or upon the direction of the City Council Planning Commission, from initiating an administrative compliance review at any time during the effective life.
of a Conditional Use Permit. The permittee shall pay the required fee as adopted by resolution for an administrative compliance review.

During the administrative compliance review, the Development Services Department shall inspect the subject property to determine compliance with all conditions of approval or other operational standards. Upon determination that the property or use is not in compliance, the permittee shall immediately bring the property or use into compliance. The Development Services Department may grant a limited extension provided the permittee agrees in writing to a schedule for bringing the property or use into compliance.

If after the administrative compliance review the property or use is not brought into compliance in accordance with this Section, the Development Services Department may, in addition to any other remedy, recommend to the Planning Commission or City Council that the Conditional Use Permit be revoked or modified. (Ord. 1126 § 6, 2004)

19.61.120 FAILURE TO COMPLY

Noncompliance with any condition on a conditional use permit shall be a violation of this Title and constitute a criminal misdemeanor offense unless, at the discretion of the City Attorney, such offense is charged as in infraction pursuant to Section 1.16.010 of this Code.
CHAPTER 19.54
AUTHORITY AND REVIEW PROCEDURES

Sections:
19.54.010 PURPOSE
19.54.020 AUTHORITY
19.54.030 REVIEW AUTHORITY AND PROCESSING PROCEDURES
19.54.040 FINDINGS OF APPROVAL FOR DISCRETIONARY APPLICATIONS
19.54.050 FINDINGS OF APPROVAL FOR NON-DISCRETIONARY APPLICATIONS
19.54.060

19.54.010 PURPOSE

The purpose of this Chapter is to establish the authority to adopt and procedures to evaluate the following applications and actions:

Zone Changes
Zoning Ordinance Amendments
Specific Plans
Conditional Use Permits
Variances
Administrative Permits
Permitted Uses
Temporary Outdoor Uses
Modifications to Specific Plans, Conditional Use Permits, and Variances
Administrative Determination
Minor Adjustments
Development Plan Review
Letters of Public Convenience or Necessity
(Ord. 1103, 6 02)

19.54.20 AUTHORITY

The authority for each type of application identified in Section 19.54.010 PURPOSE, is as follows:

A. Zone Changes and Zoning Ordinance Amendments

The California Government Code allows jurisdictions to adopt and amend criteria which regulate the use of property located within specified districts or categories. Such changes or amendments shall be undertaken consistent with State law and local procedures. The Planning Commission is authorized to review and recommend either approval or denial to the City Council. The City Council is authorized to approve or disapprove any proposed requests.
B. Specific Plans

The California Government Code allows local jurisdictions to adopt and amend Specific Plans to implement a City’s General Plan, provided it is prepared pursuant to Section 65450 of the California Government Code. Specific Plans may be prepared for single or multiple uses including but not limited to residential, commercial, industrial, or recreational activities. Such changes or amendments shall be undertaken consistent with State law and local procedures. The Planning Commission is authorized to review and recommend either approval or denial to the City Council. The City Council is authorized to approve or disapprove any requests.

C. Conditional Use Permits

The California Government Code allows for the adoption of regulations which require a use permit be obtained for the operation of specified uses. Use permits may require compliance with certain conditions of approval prior to the issuance of a permit to operate or building permit. The Planning Commission is authorized to approve and deny any requests.

D. Variances

The California Government Code allows for the adoption of regulations which permit the Planning Commission to grant a variance from the required development standards contained in a Zoning Ordinance when practical difficulties, unnecessary hardships or results inconsistent with the general purpose of this Title result through the strict and literal interpretation and enforcement of the provisions of this Title. The Planning Commission is authorized to approve or deny any requests.

E. Administrative Permits

The California Government Code allows jurisdictions to require a non discretionary permit for the establishment of a large family day care home on lots zoned for single-family dwellings. The purpose of the permit can be granted by the designated City official provided the proposed use complies with all adopted local ordinances. The Director of Planning and Community Development is authorized to approve any requests consistent with existing City ordinances and policies.

F. Permitted Uses

The California Government Code allows for the regulation of land uses and buildings. The land uses identified as Permitted Uses are allowed by right, subject only to their compliance with existing City regulations. The
Director of Planning and Community Development is authorized to approve or deny any projects consistent with existing City ordinances and policies.

G. **Temporary Outdoor Uses**

The California Government Code allows for the regulation of land uses and buildings. Temporary outdoor uses are allowed subject to their appropriateness, the availability of land, and their compliance with existing City regulations. The Director of Planning and Community Development is authorized to approve, conditionally approve, or deny any requests.

H. **Administrative Determinations**

When a use is not listed specifically as either a permitted use or conditionally permitted use under a particular Zoning district or category, the Director of Planning and Community Development shall have the authority to determine whether the use is sufficiently similar to other uses in the particular zone to justify a finding that it should be deemed either a permitted use or conditionally permitted use. The Director of Planning and Community Development is authorized to approve or disapprove any requests consistent with the provisions of this Chapter.

I. **Minor Adjustments**

When the strict application of the provisions of this Title would be impractical or result in a hardship, a minor adjustment may be authorized by the Director of Planning and Community Development subject to the limitations listed below. Should a request for a minor adjustment be beyond the limitations listed below or considered either too controversial or significant to surrounding property owners or residents, the Director may, at his/her discretion, require the formal filling of a variance request. The Director of Planning and Community Development is authorized to approve or deny the following minor adjustments to the standards contained in the Development Code:

1. **Setbacks/Landscaping:** Reduce required setback or landscape areas up to 25 percent.
2. **Parking:** Reduce required parking up to 25 percent.
3. **Height/Coverage:** Increase the allowable structure height or lot coverage up to 25 percent.
4. **Walls/Fences:** Increase the height of walls or fences up to 25 percent.
5. **Freestanding Signs:** Increase the height of freestanding

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signs up to 25 percent.

J. Development Plan Review

The California Government Code allows for adoption of regulations for the review of Development Projects. Development Plans may require compliance with certain conditions of approval prior to issuance of a permit to operate or a building permit. The Director of Planning and Community Development, the Planning Commission, or City Council, as specified in Section 19.54.030, is authorized to approve, conditionally approve, or deny any requests.

K. Letter of Public Convenience or Necessity

The California Business and Professions Code provides for City review of alcoholic beverage control licenses where there is an "undue concentration" and a determination that the public convenience or necessity would be served by the issuance of a license. The Planning Commission is authorized to approve or deny any requests for determination of public convenience or necessity.

(Ord. 1103, 6/02)

19.54.30 REVIEW AUTHORITY AND PROCESSING PROCEDURES

A. Processing Review and Authority

1. Review and Approval Authority

All actions covered by this Chapter shall be processed in the manner prescribed below. The following matrix outlines the actions, review authority, and approval authority for each type of application:

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<table>
<thead>
<tr>
<th>TYPE OF ACTION</th>
<th>TYPE OF APPLICATION</th>
<th>REVIEW AUTHORITY</th>
<th>APPROVAL AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary</td>
<td>- Administrative Determinations</td>
<td>- Staff</td>
<td>- Director of Planning &amp; Community Development</td>
</tr>
<tr>
<td></td>
<td>- Administrative Development Plan Review</td>
<td>- Staff</td>
<td>- Director of Planning &amp; Community Development</td>
</tr>
<tr>
<td></td>
<td>(More than 4 Single-Family, less than 4 Multi-Family, New Non-Residential less than 2,500 square feet, and conversion of residential structure to non-residential use)</td>
<td>- Responsible Agencies</td>
<td>- Director of Planning &amp; Community Development</td>
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<tr>
<td></td>
<td>• Agricultural Preserve Applications</td>
<td>- Staff</td>
<td>- City Council</td>
</tr>
<tr>
<td></td>
<td>• Responsible Agencies</td>
<td>- Responsible Agencies</td>
<td>- City Council</td>
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<td></td>
<td>• Planning Commission</td>
<td>- Planning Commission</td>
<td>- Planning Commission</td>
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<td></td>
<td>• Annexations</td>
<td>- Staff</td>
<td>- City Council</td>
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<tr>
<td></td>
<td>• Responsible Agencies</td>
<td>- Responsible Agencies</td>
<td>- City Council</td>
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<td>• Planning Commission</td>
<td>- Planning Commission</td>
<td>- Planning Commission</td>
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<td></td>
<td>• Conditional Use Permits</td>
<td>- Staff</td>
<td>- Planning Commission</td>
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<td>• Responsible Agencies</td>
<td>- Responsible Agencies</td>
<td>- Planning Commission</td>
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<td>• Planning Commission</td>
<td>- Planning Commission</td>
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<td></td>
<td>• Development Agreement</td>
<td>- Staff</td>
<td>- City Council</td>
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<td>• Responsible Agencies</td>
<td>- Responsible Agencies</td>
<td>- City Council</td>
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<td>• Planning Commission</td>
<td>- Planning Commission</td>
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<td></td>
<td>• Development Plan Review</td>
<td>- Staff</td>
<td>- Planning Commission</td>
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<td>• Responsible Agencies</td>
<td>- Responsible Agencies</td>
<td>- Planning Commission</td>
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<td>TYPE OF APPLICATION</td>
<td>REVIEW AUTHORITY</td>
<td>APPROVAL AUTHORITY</td>
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<tr>
<td>• General Plan Amendments</td>
<td>• Staff</td>
<td>• City Council</td>
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<td></td>
<td>• Responsible Agencies</td>
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<td></td>
<td>• Planning Commission</td>
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<tr>
<td>• Major Modifications</td>
<td>• Same Authorities as for new application</td>
<td>• Same Authority as for new application</td>
<td></td>
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<tr>
<td>• Minor Modifications</td>
<td>• Staff</td>
<td>• Director of Planning &amp; Community Development</td>
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<td></td>
<td>• Responsible Agencies</td>
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<td>• Minor Adjustments</td>
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<td>• Director of Planning &amp; Community Development</td>
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<td>• Responsible Agencies</td>
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<td>• Minor Development Plan Review</td>
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<td>• Director of Planning &amp; Community Development</td>
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<td></td>
<td>• Responsible Agencies</td>
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<td>• Reversions to Acreage</td>
<td>• Staff</td>
<td>• City Council</td>
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<td></td>
<td>• Responsible Agencies</td>
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<tr>
<td>• Surface Mining Permits</td>
<td>• Staff</td>
<td>• City Council</td>
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<td></td>
<td>• Responsible Agencies</td>
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<td>• Planning Commission</td>
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<tr>
<td>• Sign Programs</td>
<td>• Staff</td>
<td>• Director of Planning &amp; Community Development</td>
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<tr>
<td></td>
<td>• Responsible Agencies</td>
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<tr>
<td>• Specific Plans</td>
<td>• Staff</td>
<td>• City Council</td>
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<td></td>
<td>• Responsible Agencies</td>
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<td>• Planning Commission</td>
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<td>TYPE OF APPLICATION</td>
<td>REVIEW AUTHORITY</td>
<td>APPROVAL AUTHORITY</td>
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</tr>
</tbody>
</table>
| Street Naming              | • Staff  
                            • Responsible Agencies                           | • Planning Commission                                |
| Temporary Use Permits      | • Staff  
                            • Responsible Agencies                           | • Director of Planning & Community Development       |
| Tentative Parcel Maps      | • Staff  
                            • Responsible Agencies                           | • Planning Commission                                |
| Variances                  | • Staff  
                            • Responsible Agencies                           | • Planning Commission                                |
| Zone Changes               | • Staff  
                            • Responsible Agencies  
                            • Planning Commission                            | • City Council                                       |
| Zoning Text (Ordinance)    | • Staff  
                            • Responsible Agencies  
                            • Planning Commission                            | • City Council                                       |
| Amendments                 |                                                                                           |                                                      |
| Non-Discretionary          | • Permitted Uses  
                            • City Staff  
                            • Other Responsible Agencies                     | Director of Planning and Community Development      |

2. Referral to Next Higher Authority

The Director of Planning and Community Development may refer an application to the next higher authority due to special issues, impacts related to the project, or controversy.

3. Multiple and Concurrent Applications

When multiple applications related to a project are concurrently processed and that project also contains an application which requires review and determination by a higher authority, then all these applications, with the exception of sign permits, shall be reviewed and referred to the higher authority for determination.

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The final environmental determination and decision on all of the concurrent applications related to a project shall be made by the highest level of Approval Authority for any of the applications. For example the City Council shall review and determine the final action for all applications concurrently processed with a General Plan Amendment or Zone Change.

4. Modifications

Major Modifications to approved projects shall be reviewed and a determination shall be made by the same authority as required for initial approval. Minor Modifications shall be reviewed and a determination shall be made by the Director of Planning and Community Development. The Director of Planning and Community Development shall be responsible for determining whether or not a proposed modification is deemed significant depending on the circumstances involved and should be considered a Major Modification or Minor Modification. The approval of Major or Minor Modifications to approved projects shall not extend the expiration date of the original project approvals, unless specified in the conditions of approval of said modification.

5. Violation of Conditions

Whenever a permit is conditionally approved or modified by the approving authority, the use or enjoyment of the permit approval without observance or in violation of any such conditions shall constitute a violation of the Code. Violations may be enforced in accordance with the processes and procedures for violations of the Code, or may constitute grounds for the permit to be revoked or suspended as provided in this Code.

B. Processing Procedures

1. All development applications are subject to City review, except as exempted in Section 19.50.030.

2. Abandonment of Applications

   a. An application for permits or approvals as specified in this Chapter shall be deemed to have been abandoned when information and/or fees have been requested in writing to complete or continue application processing and the requested information and/or fees have not been received by the Planning Division within ninety (90) days of the request.

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b. The applicant may provide a written request for extension, which must be supported by a written explanation of the delay, stating the date by which the further application material and or fees will be submitted. If the Director finds that special circumstances exist and that unusual hardship to the applicant would result from deeming the application abandoned, the Director may extend the period during which the required material must be submitted. If the required material has not been submitted by the new date and if the Director has not further extended the allowable period, the application shall be deemed abandoned without further notification.

3. Final Effective Date of Approvals

The final effective date of any approval shall be the first business day after all applicable appeals periods have lapsed, or the final action has occurred on any appeal. Permits shall not be issued and land uses or construction shall not commence for any use or structure involved in any application required by this Code until the final effective date of the required approvals.

(Ord. 1103 6/02)

19.54.40 FINDINGS OF APPROVAL FOR DISCRETIONARY APPLICATIONS

A. Zone Change

The purpose of a zone change is to ensure the City can modify land use requirements to reflect the changing needs of the area and ensure compatibility with the City’s General Plan. Prior to granting approval of a zone change application the following findings shall be adopted:

1. The proposed zoning is consistent with the General Plan Land Use Map and applicable General Plan objectives, policies, and programs.

2. The proposed zoning is compatible with or provides adequate buffering of adjoining uses.

3. The proposed zoning is a logical extension of the existing zoning pattern.

B. Specific Plans

The purpose of a Specific Plan is to allow the City to prepare unique policies and development standards which respond to the specific needs of individual projects. Prior to granting approval of a Specific Plan application the following findings shall be adopted:

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1. The Specific Plan is consistent with the General Plan Land Use Map and applicable General Plan objectives, policies, and programs.

2. The Specific Plan provides adequate text and diagrams to adequately address the following issues in detail:
   1. The distribution, location, and extent of the uses of land, including open space, within the area covered by the Plan.
   2. The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the Plan and needed to support the land uses described in the Plan.
   3. Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
   4. A program of implementation measures including regulation, programs, public works projects, and financing measures necessary to carry out the provisions contained in paragraphs a, b, and c above.

C. Conditional Use Permits

The purpose of a conditional use permit is to: Assure compatibility of the proposed use with other existing and potential uses within the general area; assure the proposed use is consistent and compatible with the purpose of the zone in which it is located; and, recognize and compensate for potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, and hazards. Prior to granting approval of a conditional use permit the following findings shall be adopted:

1. The proposed location of the conditional use is in accord with the objectives of this Title and the purposes of the zone in which the site is located.

2. The proposed plan is consistent with the City's General Plan and conforms to all Specific Plans, zoning standards, applicable subdivision requirements, and other ordinances and resolutions of the City.

3. The proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

4. The architecture proposed is compatible with community standards and protects the character of adjacent development.

5. The landscaping plan ensures visual relief and provides an attractive environment for the public's enjoyment.

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CITY OF PERRIS

AGENDA SUBMITTAL

Meeting Date        July 31, 2018

SUBJECT: Conduct a Public Hearing and hold a Special Election for the Proposed Community Facilities District No. 2018-1 (Green Valley-West Elm) of the City of Perris (the “CFD”), designating improvement areas therein and adopt various Resolutions and Ordinance forming the CFD

REQUESTED ACTION: That the City of Perris (the “City”) adopt the following resolutions and ordinance, respectively:


2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN VALLEY-WEST ELM) OF THE CITY OF PERRIS, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED $6,500,000 WITHIN IMPROVEMENT AREA NO. 1 AND $6,500,000 WITHIN IMPROVEMENT AREA NO. 2 OF SAID DISTRICT; AND CALLING A SPECIAL ELECTION WITHIN EACH SUCH IMPROVEMENT AREA


CONTACT: Jennifer Erwin, Finance Director

BACKGROUND/DISCUSSION:

Community facilities district financing is a commonly-used method of financing infrastructure and services for new development in California. Commonly referred to as “Mello-Roos” (Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government (the “Act”)), this land-secured financing permits the local agency (i.e., the City) to issue bonds to pay for the public facilities and infrastructure costs and services of local development. Debt service on the bonds is paid from special taxes levied on real property within the CFD boundary. The bonds are issued on a tax-exempt basis at the federal and state level.

The City received petitions (including waivers) from the property owners within the proposed CFD boundaries to commence proceedings to establish the CFD and designate two improvement areas therein, for the purpose of financing public facilities in connection with a planned development project within the Green Valley Specific Plan. The petitions further requested the commencement of proceedings to authorize the levy of special taxes, the issuance of bonds for each improvement area and to establish an appropriation limit for the CFD.

The CFD, which will include 314 units, is located along Ethanac Road to the south, and Fieldstone Drive to the north, and in between Murrieta Road and Goetz Road to the east and west, respectively. As a part of this development, the property owners is petitioning the City to form the CFD in order to finance fees and the construction or acquisition of certain facilities for future homeowners. The Act allows such facilities to be financed through special taxes collected from property owners within the proposed CFD, who would be the beneficiaries of such improvements.

On June 12th, 2018, after receipt of the petitions (including waivers) from the property owners, the City Council approved the Resolution of Intention (Resolution No. 5303) and Resolution to Incur Indebtedness (Resolution No. 5304) in order to move forward with the formation of the CFD. The Resolution of Intention provided specific information relating to the CFD, including the name, a description of the public facilities to be finance, and stated that a special tax rate, if approved by the electors, would be levied in an amount sufficient to pay for such facilities. The Resolution to Incur Indebtedness described the proposed terms of bonds to be issued within the CFD that would, if approved by the electors, finance the facilities. Both Resolutions set the time and place for a Public Hearing for tonight’s July 31st City Council meeting.
The balance of this report summarizes the resolutions, actions and related documents presented for approval at tonight’s Public Hearing, and discusses the remaining steps after the CFD is formed.

PUBLIC HEARING AND TONIGHT’S ACTIONS:

Pursuant to the Act, the City is now required to hold a Public Hearing to determine if there are any protests to formation of the CFD and to issuing bonded indebtedness. Tonight’s Public Hearing will provide the public an opportunity to provide testimony related to the formation of the CFD and the CFD Report prepared by Willdan & Associates. The CFD Report generally describes the CFD boundaries, and the rate and method of apportionment of the special taxes to be levied and the facilities to be financed by the CFD. If no majority protest is received by interested persons (which generally include landowners or registered voters within the proposed CFD), the City will formally establish the CFD by adopting the following resolutions and taking certain actions:

1. Adopt the Resolution of Formation. This resolution establishes the boundaries of the CFD, the rate and method of apportionment of the special taxes to be levied to provide for certain services within the CFD and to pay the cost of the facilities to be financed by the CFD. It also sets out the terms and conditions for an election to be conducted by the City Clerk as the election official for a vote to be taken by the landowners of record. The registrar of voters has certified that there are no registered voters within the proposed CFD, thus the vote will be by the owners of land.

2. Adopt the Resolution Calling a Special Election. This resolution establishes the necessity to incur bonded indebtedness in an amount not to exceed $6,500,000 within Improvement Area No. 1 and $6,500,000 within Improvement Area No. 2 of said district; and calls for a special election within each such improvement area to approve the proposition presented to the landowners within the CFD.

After the Resolution of Formation and the Resolution calling the Special Election are adopted, the City Clerk will conduct the election process. While there are generally certain minimum time limits after the Public Hearing in which the election must occur, the property owners has waived such restrictions. As such, the election is also scheduled for this July 31st City Council meeting, and will occur by way of mail-in or hand-delivered ballots. The City Clerk will open the ballots and state the results of the election. If the results of the special election reveal that the propositions have received the affirmative vote of two-thirds of the votes cast, the City Council will then:

3. Adopt Resolution Declaring the Results of the Special Election. This resolution confirms that the proposition presented at the special election to the landowners within the CFD was approved with a unanimous vote and further authorizes the City to take the necessary steps to levy the special taxes within the CFD.
4. Introduce the first reading of the Ordinance Levying the Special Taxes. This ordinance authorizes the levy of special taxes within the CFD at the maximum rates in accordance with the applicable rate and method of apportionment. It also allows the City Council to authorize future levies of the special tax by resolution for the ensuing fiscal years.

5. Adopt Resolution Approving Execution of an Acquisition and Funding Agreement. This resolution authorizes the City to enter into an agreement with the property owners to provide for the orderly disbursement of funds from the improvement fund with respect to the bonds to pay for facilities, fees and other eligible costs.

It is important to note that the City is not issuing bonds through these actions. These actions provide the authority and limitation to pursue a bond issuance at some future date.

CONCLUSION AND NEXT STEPS

The formation of the CFD will occur after tonight’s Public Hearing and adoption of certain resolutions. At the Public Hearing, the Council will be presented with information regarding the CFD, the special taxes, and public facilities and services. The public will also have the opportunity to comment on the CFD. The City Council may establish the CFD only after conducting the Public Hearing and only if no majority protests to establishment of the CFD or the levy of special taxes is filed by the CFD landowners. Following tonight’s Public Hearing, the proposed schedule to complete the formation of the CFD is as follows:

- August 28, 2018: Second reading of Ordinance Levying the Special Tax
- September 28, 2018: Ordinance Levying the Special Tax goes into effect

The resolutions and related documents have been prepared and reviewed by the City’s finance team, which includes bond counsel, financial advisor, and special tax consultant.

FISCAL IMPACT:

The recommended action carries no immediate fiscal impact. The formation of the CFD will occur after tonight’s public hearing and the 2nd reading of the Ordinance Levying the Special Tax is scheduled for August 28, 2018.

_________________________________________

BUDGET (or FISCAL) IMPACT:

None. Costs will be paid from the Developer’s Deposit.

_________________________________________

Reviewed by:
City Attorney ______
Attachments: Binder Containing all Documents on File with City Clerk and Made Part of the Record, including:

1. Landowners’ Ballots
2. CFD Report
3. Resolution of Formation
4. Resolution Calling a Special Election
5. Resolution Declaring Results of the Special Election
6. Ordinance Levying the Special Tax within the CFD
7. Resolution Approving Acquisition and Funding Agreement
Meeting Date: July 31, 2018

SUBJECT: Resolution Authorizing and Approving the Board of the Successor Agency to the Redevelopment Agency of the City of Perris to Approve the Continuing Disclosure Certificate and Preliminary Official Statement relating to the refunding of prior obligations

REQUESTED ACTION: That the City of Perris adopts the following resolution:

1. A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PERRIS, APPROVING THE FORM OF A CONTINUING DISCLOSURE CERTIFICATE AND PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE SUCCESSOR AGENCY'S SUBORDINATE TAX ALLOCATION REFINING BONDS, SERIES (TAXABLE)

CONTACT: Jennifer Erwin, Finance Director

BACKGROUND/DISCUSSION:

In December of 2011, redevelopment agencies were dissolved by the passage of Assembly Bill No. 1X 26 ("ABx1 26") by the California Legislature. The California Supreme Court upheld the dissolution statute, and the dissolution became effective February 1, 2012. In dissolving the redevelopment agencies, ABx1 26 also established successor agencies and oversight boards to assist in the wind down of the former redevelopment agencies. In June of 2012, Assembly Bil No. 1484 ("AB 1484") was passed, which was follow-up legislation to supplement and clarify various provisions of ABx1 26. As provided by AB 1484, a successor agency is not able to issue bonds that would increase the overall indebtedness associated with the previous issuances, or provide additional proceeds to be expended—but it can issue bonds to refund and effectuate cost savings as proposed on those previous issuances. By refunding certain eligible bond issues, the debt service payments will be reduced on those bond issues and the taxing entities will receive additional revenues. Staff has identified such an opportunity which is presented in this agenda report.

A. Previous Refundings
In 2015, the Perris Public Financing Authority issued $21,590,000 of Tax Allocation Revenue Refunding Bonds, 2015 Series A and $23,120,000 Tax Allocation Subordinate Revenue Refunding Bonds 2015 Series B to refund the following outstanding Tax Allocation Revenue Bonds:

- 2001 Tax Allocation Revenue Bonds Series A
- 2001 Tax Allocation Revenue Bonds Series B
- 2002 Tax Allocation Revenue Bonds Series A
- 2002 Tax Allocation Revenue Bonds Series B
- 2002 Tax Allocation Revenue Bonds Series C
- 2006 Tax Allocation Revenue Bonds
- 2006 Housing Bonds

**B. Prior Obligations that have not been Refunded**

Presently, the Successor Agency has the following remaining tax allocation revenue bonds that have not been refunded with the current outstanding principal amount of $22,330,000, bearing interest rates ranging from 5.625% to 7.125%.

**Outstanding Prior Unrefunded Bonds:**

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<thead>
<tr>
<th>Bond Description</th>
<th>Outstanding Principal</th>
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</thead>
<tbody>
<tr>
<td>Tax Allocation Revenue Bonds (1987 Project Loan) 2009 Series A(1)</td>
<td>$3,485,000</td>
</tr>
<tr>
<td>Tax Allocation Revenue Bonds (1994 Project Loan) 2009 Series B(1)</td>
<td>6,955,000</td>
</tr>
<tr>
<td>Tax Allocation Revenue Bonds (Central North Project Loan) 2009 Series C(1)</td>
<td>4,930,000</td>
</tr>
<tr>
<td>Tax Allocation Revenue Bonds (Housing Loan) 2010 Series A(2)</td>
<td>6,960,000</td>
</tr>
<tr>
<td><strong>Total Outstanding</strong></td>
<td><strong>$22,330,000</strong></td>
</tr>
</tbody>
</table>

(1) Callable on October 1, 2018 at par.
(2) Not callable until October 1, 2020.

**ANALYSIS:**

Staff has determined, in consultation with Fieldman, Rolapp & Associates, Inc., the Successor Agency’s financial advisor, that current bond market conditions allow for the issuance of refunding bonds (the “Refunding Bonds”) to refinance the outstanding prior bonds callable on October 1, 2018 (“Prior Bonds”) to lower the current debt service costs on the Prior Bonds. The market for post dissolution tax allocation bonds is favorable, with more than 285 such bonds issued to date.

Based on market conditions as of May 22, 2018 when the Debt Service Savings Report (the “Debt Service Savings Report”) was prepared and submitted to the Department of Finance, it is estimated that the Refunding Bonds will produce an annual average reduction in bond payments of approximately $275,000 and estimated Net Present Value Savings of 21.91%. The term of the Refunding Bonds is the same as the original term of the Prior Bonds, the current outstanding indebtedness will not be extended. Any debt service savings as a result of the refunding will increase the amount of residual tax
increment revenues that can be distributed to all taxing entities, including the City. Other taxing entities that will benefit as a result of the refunding include, but are not limited to, the County, schools (K-12, community colleges and County Office of Education), the County Library, and other special districts. The annual savings will be distributed to the taxing entities by the Riverside County Auditor Controller. These savings are net of the cost of refunding the outstanding bonds, which will be incorporated into the issuance cost of the refunding bonds. All costs of issuance are incurred only if the refinancing closes, except for the costs of the fiscal consultant and rating agency.

The City will receive 21.1 cents of every dollar of debt service costs saved, resulting in an annual increase of available property tax revenues to the City of approximately $58,000. These are estimated savings based on the Debt Service Savings Report and are subject to change based on actual market conditions when the Refunding Bonds are sold in August. While it is expected that interest rates will remain relatively stable over the next months, it is not possible to exactly predict where interest rates will be at the time of refunding in August. If savings are below the City's acceptable level then no bonds will be issued.

REFUNDING PROCESS:

AB 1484 permits successor agencies to refund outstanding bonds and other obligations of a former redevelopment agency which requires the approval of the Successor Agency, Oversight Board and the California Department of Finance. Because the result of the refunding would be to reduce the interest costs associated with the Prior Bonds, it is further anticipated that Department of Finance will not object to the proposed refunding.

On May 29, 2018 and May 31, 2018, at regular scheduled meetings, the Successor Agency and Oversight Board, respectively, adopted resolutions to undertake proceedings for the issuance and sale of the Refunding Bonds, approve the required legal documents, and authorize all of the necessary actions relating to the proposed refinancing. The resolutions directed the designated officers to prepare a Preliminary Official Statement ("POS") and Continuing Disclosure Certificate ("CDC") in substantially final form, for approval by the Successor Agency prior to the issuance of the Refunding Bonds.

Tonight's action is a required step in the process to refund the Prior Bonds. It is anticipated that the refunding will be completed in August 2018. The key milestones to complete the refunding are identified below:

- Successor Agency approval of the Preliminary Official Statement (Tonight's Action)
- Receive Department of Finance's approval (Received)
- Secure underlying credit rating and reserve fund surety (Pending)
- Negotiated sale of Bonds (August 2018)
- Bond Closing (August 2018)

Approval of tonight's resolution will authorize and approve the POS and CDC:
• **Approve POS** – The POS generally describes the source of payment for the Refunding Bonds, the economic and demographic characteristics of the City, and discloses potential risks to prospective investors. The POS is distributed prior to the sale of the Refunding Bonds so that investors may make an informed purchase decision. The POS should be as close to final as possible, with minor terms, such as pricing, left blank. The approval of the form of the POS will deem the POS final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, with its distribution by Brandis Tallman LLC as underwriter for the Refunding Bonds. The final Official Statement will be prepared shortly after the bond sale and will be available in time for bond closing.

• **Approve CDC** – The Successor Agency is required to execute a CDC to be acknowledged by Willdan Financial Services, as dissemination agent. By executing the CDC, the Successor Agency agrees to comply with Rule 15c2-12 of the Securities Exchange Act of 1934 and make certain annual and material disclosure on an ongoing basis. The form of the Continuing Disclosure Agreement, is approved in substantially the form thereof or with such changes as may be approved by an designated officers of the City.

**FISCAL IMPACT:**

Pursuant to Senate Bill No. 450, the proposed refunding bonds with the City’s Underwriter Brandis Tallman LLC will be in the amount of $15,540,000 for a term of 22 years at a true interest cost of 4.36%, netting $15,870,338 to be deposited into the Escrow Fund, $1,404,017 to be deposited into the Debt Service Reserve Fund and $500,497 to be deposited into the Cost of Issuance Fund. The deposit to the Costs of Issuance Fund includes the Underwriter’s Discount estimated at $116,550. The average annual payment will be $1,123,213 and the maximum annual debt service amount is $1,855,650. The total payment including all debt service payments and projected fees and charges paid to third parties to the final maturity of the Refunding Bonds in 2039 is estimated at $23,684,203. These amounts are good faith estimates based on market conditions as of May 22, 2018 provided by the Underwriter and the actual amounts locked in at pricing may vary.

**BUDGET (or FISCAL) IMPACT:**

None. Costs will be paid from the proceeds of the bonds.

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Reviewed by:
City Attorney
Finance Director

Attachments:
1. Resolution
2. Preliminary Official Statement
3. Continuing Disclosure Certificate (attached as Appendix G to the Preliminary Official Statement)

Consent:
Public Hearing: √
Business Item:
Other:
RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PERRIS APPROVING THE FORM OF A CONTINUING DISCLOSURE CERTIFICATE AND PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE SUCCESSOR AGENCY'S SUBORDINATE TAX ALLOCATION REFINDDING BONDS, SERIES 2018 (TAXABLE)

WHEREAS, on May 29, 2018, the Successor Agency to the Redevelopment Agency of the City of Perris (the "Successor Agency") adopted Resolution No. SA-004 (the "Authorizing Resolution"), approving the issuance of its "Successor Agency to the Redevelopment Agency of the City of Perris Subordinate Tax Allocation Refunding Bonds, Series 2018 (Taxable)" (the "Refunding Bonds") for the purpose of refunding the following outstanding indebtedness of the Redevelopment Agency of the City of Perris: (a) loan agreement, dated as of February 1, 2009, by and between the Perris Public Financing Authority (the "PPFA") and the Redevelopment Agency of the City of Perris (the "Redevelopment Agency"), related to $4,055,000 initial principal amount of Perris Public Financing Authority Tax Allocation Revenue Bonds (1987 Project Loan), 2009 Series A ("2009A Obligation"); (b) loan agreement, dated as of March 1, 2009, by and between the PPFA and the Redevelopment Agency, related to $7,605,000 initial principal amount of Perris Public Financing Authority Tax Allocation Revenue Bonds (1994 Project Loan), 2009 Series B ("2009B Obligation"); and (c) loan agreement, dated as of July 1, 2009, by and between the PPFA and the Redevelopment Agency, related to $5,490,000 initial principal amount of Perris Public Financing Authority Tax Allocation Revenue Bonds (Central and North Project Loan), 2009 Series C ("2009C Obligation"), and together with the 2009A Obligation and the 2009B Obligation, the "Prior Obligations"; and

WHEREAS, the Prior Obligations may be refunded pursuant to Health and Safety Code Section 34177.5(a)(1) and (g); and

WHEREAS, in order to comply with Rule 15c2-12 of the Securities & Exchange Act of 1934, as amended (the "Rule"), the Successor Agency is required to execute a continuing disclosure certificate and the Successor Agency has determined to enter such agreement with Willdan Financial Services, as dissemination agent thereunder (the "Continuing Disclosure Certificate"), and to authorize the dissemination of a Preliminary Official Statement with respect to the Refunding Bonds (the "Preliminary Official Statement") and, following the sale of the Refunding Bonds, to execute a final Official Statement; and

WHEREAS, the Authorizing Resolution directed staff and consultants to prepare the Preliminary Official Statement and the Continuing Disclosure Certificate for approval by the Successor Agency at a later date; and

WHEREAS, the Successor Agency now wishes to approve the form of the Continuing Disclosure Certificate and the Preliminary Official Statement;

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Redevelopment Agency of the City of Perris, as follows:

01006.0107/467510.3
Section 1. **Recitals.** The above recitals are true and correct and incorporated herein by this reference.

Section 2. **Approval of the Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate, a copy of which is attached to the Preliminary Official Statement and is on file with the Secretary (City Clerk), be and is hereby approved in substantially the form thereof or with such changes as may be approved by the Chair (Mayor), Executive Director (City Manager) or Treasurer (Finance Director) of the Successor Agency, or any of their respective designees (each a "Designated Officer"), said Designated Officer's execution thereof to constitute conclusive evidence of said Designated Officer's approval of all such changes, and each Designated Officer be and is hereby authorized, together or alone, to execute and deliver said Continuing Disclosure Certificate.

Section 3. **Approval of the Preliminary Official Statement.** The form of the Preliminary Official Statement presented at this meeting describing the Refunding Bonds, the Successor Agency, the project areas, and certain other information deemed material to an informed investment decision relating to the Refunding Bonds, is hereby approved, with such changes as may be approved by a Designated Officer in consultation with Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel. Any Designated Officer is authorized to deem final the Preliminary Official Statement as of its date for the purpose of the Rule. The Final Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by a Designated Officer, such approval to be conclusively evidenced by the delivery thereof. The Designated Officers are each hereby authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute and deliver the final Official Statement and any supplement or amendment thereto to Brandis Tallman LLC, as underwriter.

Section 4. **Effective Date.** This Resolution shall take effect immediately upon its passage.

_ADOPTED, SIGNED and APPROVED_ this 31st day of July, 2018.

____________________
Chair

(S E A L)

ATTEST:

____________________
Secretary

01006.0107467510.3
STATE OF CALIFORNIA  )
COUNTY OF RIVERSIDE  ) §
CITY OF PERRIS  )

I, ____, SECRETARY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PERRIS, HEREBY CERTIFY that the foregoing Resolution Number ____ was duly and regularly adopted by the Successor Agency to the Redevelopment Agency of the City of Perris at a regular meeting held on the 31st day of July, 2018, by the following called vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

___________________________
Secretary
CITY COUNCIL
AGENDA SUBMITTAL

Meeting Date: July 31, 2018

SUBJECT: Community Benefit Agreement with CI Distribution, LLC

REQUESTED ACTION: Motion to reconsider a Community Benefit Agreement between the City of Perris and CI Distribution, LLC to permit wholesale commercial marijuana distribution at 5055 Western Way; and

If the prior motion is approved, consider approval of Community Benefit Agreement between the City of Perris and CI Distribution, LLC

CONTACT: Dr. Grace Williams, Director of Planning and Economic Development

DISCUSSION:

On June 12, 2018, the City Council voted 4-1 not to authorize approval of a Community Benefit Agreement (CBA) between the City of Perris and CI Distribution, LLC to permit the opening of a wholesale commercial marijuana distribution operation located at 5055 Western Way, currently the location of their approved cultivation operation. The Council expressed the desire to wait until voter approval consideration of the Cannabis Distribution Tax before taking action on the CBA. Since no CBA has been approved, the applicant will need to rely on a licensed third party distributor from outside the City to transport their products. At a subsequent Special City Council meeting on June 26, 2018, Councilmember Rabb requested this item be brought back at the next meeting for Council reconsideration. Therefore, this item is back before the City Council for a motion to reconsider the CBA. If the City Council makes, and approves, a motion for reconsideration then a subsequent action on the CBA can be made that may include an action for approval. If a motion for reconsideration is not approved, then no subsequent action on the CBA is required and the June 12, 2018 motion of denial would remain.

BACKGROUND:

On March 21, 2018, CI Distribution, LLC applied for a City of Perris Commercial Marijuana Operation Permit to conduct a wholesale commercial marijuana distribution operation located at 5055 Western Way, which would be an add-on to their current cultivation operation. “Distribution” is the procurement, sale, and transport of marijuana and marijuana products between entities licensed for and/or engaged in commercial marijuana activities. (Perris Municipal Code (PMC) section 5.58.030(N).)

PMC section 5.58.128 (Community Benefit Agreement) provides in part that “prior to operating in the city and issuance of a certificate of occupancy, in addition to the issuance of a Commercial Marijuana Operation Permit, a distribution… commercial marijuana operation shall apply for and enter into a Community Benefit Agreement with the city…”

CI Distribution and City staff have negotiated a Community Benefit Agreement (CBA). Major details of the negotiated CBA include:

1. **Fees.** Provides for payment of fees on a quarterly basis to the City of 5% of the proceeds (defined as total gross revenue) of the proposed distribution operation, that is realized from non-CI products (the CBA exempts products that originate with CI to avoid double taxation).
2. **General Fund.** The fees are for the funding of City programs and activities that benefit the City of Perris community, to be deposited into the City’s general fund and available for any lawful purpose as determined by the City Council.
3. **Termination.** Fee collection terminates upon the date collection begins of a tax approved by the voters that is similar to the community benefit fee.

CI Distribution provided to the City the following accounting of charges levied on commercial marijuana distribution operations in the region:

- City of Los Angeles: 1%
- Culver City: 2%
- City of San Diego: 5%
- Santa Ana: 5%
- Long Beach: 6%
- Costa Mesa: 6%

Based upon these examples, City staff and CI Distribution agreed to a competitive fee of 5%.

Pursuant to PMC section 5.58.128(C) the City Council may not approve the CBA unless the City Council finds that the provisions of the agreement protect and promote the public health, safety, and welfare of the City and its residents, through findings such as, but not limited to, the following:

- The proposed operation will provide economic benefits to the City; and/or
- The proposed operation will provide employment opportunities for City residents; and/or
- The proposed operation will positively impact the community, based on factors such as, without limitation, whether and to what extent the proposed operation will offer or engage in community service, education, outreach and engagement programs.

**RECOMMENDATION:**

The above referenced findings are provided in the attached Community Benefit Agreement. The Director of Community Development has determined that: a) The CBA is categorically exempt from CEQA pursuant Sections 15060(c)(2) and 15061(b)(3) as approval of this Agreement would not result in a direct or reasonably foreseeable indirect physical change in the environment; and b) The CBA is consistent with policies of the City and PMC Chapter 5.58, Section 5.58.128(B). As such, staff recommends approval of the Community Benefit Agreement between the City of Perris and CI Distribution, LLC to permit wholesale commercial marijuana distribution at 5055 Western Way.

**BUDGET (or FISCAL) IMPACT:**

Execution of the CBA will generate fees for deposit into the City’s general fund, for the funding of City programs and activities that benefit the City of Perris community, and available for any lawful purposes as determined by the City Council.

Prepared by: Kenneth Phung, Planning Manager

City Attorney: Eric Dunn
Assistant City Manager: Darren Madkin
Assistant City Manager: Clara Miramontes
Director of Finance: Jennifer Erwin

**Business Item:** July 31, 2018
Attachment: 1. Proposed Community Benefit Agreement
COMMUNITY BENEFIT AGREEMENT
by and between
CITY OF PERRIS and
CI DISTRIBUTION, LLC

This Community Benefit Agreement ("Agreement") is made and entered into this ___ day of ______, 2018 by and between the City of Perris, a California municipal corporation ("City"), and CI Distribution, a California limited liability company ("Operator"). The City and Operator shall be referred to jointly within this Agreement as the "Parties" and individually as a "Party."

RECATALS

A. Chapter 5.58 (Commercial Marijuana Operations Regulatory Program) of the Perris Municipal Code ("PMC") provides for the issuance of City of Perris Commercial Marijuana Operation Permits to qualified marijuana distributors which authorize the commercial activity involving the procurement, sale, and transport of marijuana and marijuana products between entities licensed for and/or engaged in commercial marijuana activities.

B. Operator desires a City of Perris Commercial Marijuana Operation Permit for marijuana distribution to be issued to Operator. The City has accepted an application from Operator for the issuance of such a permit.

C. Perris Municipal Code section 5.58.128 (Community Benefit Agreement) provides that prior to operating in the City of Perris and issuance of a certificate of occupancy, in addition to the issuance of a City of Perris Commercial Marijuana Operation Permit, a distribution commercial marijuana operation shall apply for and enter into a community benefit agreement with the City setting forth the terms and conditions under which the distribution commercial marijuana operation will operate that are in addition to the requirements of Chapter 5.58 of the Perris Municipal Code, possibly including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare of the City and its residents.

D. City staff and Operator have negotiated a community benefit agreement, as provided for herein, setting forth the terms and conditions under which the proposed commercial marijuana distribution operation will operate, that are in addition to the requirements of Chapter 5.58 of the Perris Municipal Code.

E. The City of Perris Director of Development Services has prepared a report to the City Council on the terms and conditions of the proposed community benefit agreement which concludes that the Agreement as proposed is consistent with the policies of the City as well as the requirements of Chapter 5.58 of the Perris Municipal Code, as required by PMC section 5.58.128(B)(3).

F. The City Council finds, pursuant to the requirements of PMC 5.58.128(C), that the provisions of the Agreement protect and promote the public health, safety, and welfare of the City and its residents, for reasons which include:
i. The proposed commercial marijuana distribution operation will provide economic benefits to the City through the payment of fees to the City for public purposes; and/or

ii. The proposed commercial marijuana distribution operation will provide employment opportunities for City residents; and/or

iii. The proposed commercial marijuana distribution operation will positively impact the community through the payment of fees to the City for public purposes.

**OPERATIVE PROVISIONS**

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS.**

   Within this Agreement, the following terms have the meanings set forth below:

   1.1 “City Council” means the City Council of the City of Perris.

   1.2 “Commercial marijuana operation permit” means a City of Perris permit issued pursuant to the procedures provided for in Chapter 5.58 of the Perris Municipal Code and which allows the permit holder to operate a specific type of commercial marijuana operation in the City of Perris subject to the requirements of Chapter 5.58 of the Perris Municipal Code, state law, and the specific permit.

   1.3 “Distribution” means the procurement, sale, and transport of marijuana and marijuana products between entities licensed for and/or engaged in commercial marijuana activities.

   1.4 “Finance Director” shall mean the Finance Director of the City of Perris and his/her designee(s).

   1.5 “Marijuana” has the same definition as provided for in Section 26001 of the Business & Professions Code for the term “cannabis,” and as may be amended, defined as “all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. ‘Cannabis’ also means the separated resin, whether crude or purified, obtained from cannabis. ‘Cannabis’ does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.”

   1.6 “Marijuana products” means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to,
concentrated marijuana, or an edible or topical product containing marijuana or concentrated marijuana and other ingredients.

1.7 "Proceeds" means total revenue and/or money received through the sale of goods and/or services before any deductions or allowances (e.g., rent, cost of goods sold, taxes).

2. TERM

2.1 Term. The term of this Agreement (the "Term") starts on the date provided hereto at the top of this Agreement, and shall continue in full force and effect until one of the following events occurs:

a. Operator fails to maintain a current and valid City of Perris Commercial Marijuana Operation Permit for distribution (including, but not limited to, through revocation by the City or the failure to renew the permit); or

b. Operator permanently ceases marijuana distribution operations in the City of Perris conducted pursuant to a City of Perris Commercial Marijuana Operation Permit associated with this Agreement; or

c. The Parties terminate this Agreement pursuant to mutual written agreement.

3. FEES.

As consideration for the issuance of both a Commercial Marijuana Operation Permit for marijuana distribution activities in the City of Perris as well as a certificate of occupancy, and pursuant to Perris Municipal Code section 5.58.128, Operator agrees to the payment of the following fees to the City of Perris:

3.1 Community Benefit Fees.

a. Operator shall pay to the City quarterly (i.e., every three months) fees, for the funding of City programs and activities that benefit the City of Perris community, to be deposited into the City’s general fund and available for any lawful purposes as determined by the City Council.

b. The quarterly fees shall be a percentage of the proceeds of the distribution operation conducted by Operator in the City pursuant to the associated Commercial Marijuana Operation Permit for marijuana distribution activities issued to Operator by the City of Perris. Fees will not be assessed on the procurement, sale, and transport of marijuana and marijuana products which originate in whole from commercial marijuana businesses wholly owned and operated by all the members and owners of CI Distribution, LLC.

c. The percentage payable quarterly in community benefit fees shall be 5% (five percent) of the quarterly proceeds of Operator.

d. If a tax similar in kind to the community benefit fee is approved by the voters of the City of Perris, the community benefit fee will no longer be assessed or
payable to the City of Perris upon the date such tax begins to be collected by the City of Perris.

4. **OPERATION.**

4.1 **Records**

a. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to its proceeds (the "books and records"), as shall be necessary to pay the fees required by this Agreement and enable the Finance Director to evaluate the payment of such fees. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed.

b. Limited exclusively to purposes concerning the performance and enforcement of this Agreement, the Finance Director shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

c. All information gained by City from Operator in performance of this Agreement shall be considered confidential to the fullest extent provided by law, unless such information is in the public domain. City shall not release or disclose any such information to persons or entities other than City without prior written authorization from the Operator, unless disclosure is otherwise required by law.

d. Such records shall be maintained for a period of three (3) years following payment of fees hereunder, and the City shall have access to such records in the event any audit is required.

4.2 **Failure to Pay Fees**

a. Failure by Operator to make fee payments as provided herein shall be subject to a penalty equal to twenty-five percent of the amount of the fee (in addition to the amount of the fee), plus interest on the unpaid fee calculated from the due date of the fee at a rate of ten percent; and, an additional penalty equal to twenty-five percent of the amount of the fee for each month thereafter if the fee remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid fee and interest on the unpaid penalties calculated from the due date of the fee at a rate of ten percent.

b. Whenever a check is submitted in payment of a fee and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the Operator will be liable for the fee amount due plus penalties and interest as provided for in this section.
c. The Finance Director may waive penalties of twenty-five percent each imposed upon Operator if:

(i) The Operator provides evidence satisfactory to the Finance Director that failure to pay timely was due to circumstances beyond the control of the Operator and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the Operator paid the delinquent fee and accrued interest owed the City prior to applying to the Finance Director for a waiver.

(ii) The waiver provisions specified in this subsection shall not apply to interest accrued on the delinquent fee and a waiver shall be granted only once during any twelve month period.

4.3 Returns and Remittances

a. On or before the 15th day of each calendar month, Operator shall prepare a return to the Finance Director accounting for the total proceeds, and the amount of fees owed, for the preceding calendar month. At the time the return is filed, the full amount of the fees owed for the preceding term shall be remitted to the City.

b. All returns shall be completed on forms provided by the Finance Director.

c. Returns and payments for all outstanding fees owed the City are immediately due the Finance Director upon cessation of business for any reason.

d. Whenever any payment, statement, report, request or other communication received by the Finance Director is received after the time prescribed by this section for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this section for the receipt thereof, or whenever the Finance Director is furnished substantial proof that the payment, statement, report, request, or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the Finance Director may regard such payment, statement, report, request, or other communication as having been timely received. If the due day falls on Friday, Saturday, Sunday, or a federal holiday, the due day shall be the last regular business day on which the City Hall is open to the public prior to the due date.

e. Unless otherwise specifically provided under other provisions of this Agreement, the fees required to be paid pursuant to this Agreement shall be deemed delinquent if not paid on or before the due date specified by this section.

f. The Finance Director is not required to send a delinquency or other notice or bill to Operator and failure to send such notice or bill shall not affect the validity of any fee or penalty due under the provisions of this Agreement.
4.4 Refunds

a. No refund shall be made of any fee collected pursuant to this Agreement, except as provided in this Section.

b. No refund of any fee collected pursuant to this Agreement shall be made because of the discontinuation, dissolution, or other termination of Operator’s commercial marijuana distribution activities.

c. Whenever the amount of any fee, penalty, or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this Agreement, such amount may be refunded to the Operator provided that a written claim for refund is filed with the Finance Director.

d. The Finance Director shall have the right to examine and audit all the books and business records of the Operator in order to determine the eligibility of the Operator to the claimed refund. No claim for refund shall be allowed if the Operator therefor refuses to allow such examination of Operator’s books and business records after request by the Finance Director to do so.

4.5 Enforcement; Debts; Deficiencies; Assessments; Hearings.

a. The Finance Director shall have the power to audit and examine all books and records of the Operator related to activities concerning the associated City of Perris Commercial Marijuana Operation Permit for marijuana distribution, including both state and federal income tax returns, California sales tax returns, logs, receipts, bank records, or other evidence documenting the proceeds of the Operation related to activities concerning the associated City of Perris Commercial Marijuana Operation Permit for marijuana distribution, for the purpose of ascertaining the amount of fees, if any, required to be paid by the provisions of this Agreement, and for the purpose of verifying any statements or any item thereof when filed by the Operator pursuant to the provisions of this Agreement. If the Operator, after written demand by the Finance Director, refuses to make available for audit, examination or verification such books, records, or equipment as the Finance Director requests, the Finance Director may, after full consideration of all information within the Finance Director’s knowledge concerning the Operator, make an assessment in the manner provided for in this Agreement.

b. The amount of any fee, penalties, and interest imposed by the provisions of this Agreement shall be deemed a debt to the City, and failure of the Operator to make payment to the City of the fees imposed by this Agreement shall render the Operator liable in an action in the name of the City in any court of competent jurisdiction for the amount of the fee, and penalties and interest imposed on the Operator by this Agreement.

c. If the Finance Director is not satisfied that any statement filed as required under the provisions of this Agreement is correct, or that the amount of fees is correctly computed, the Finance Director may compute and determine the
amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of fees due for a period or periods may be made. If the Operator discontinues activities concerning the associated City of Perris Commercial Marijuana Operation Permit for marijuana distribution, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the fees would otherwise be due.

d. Under any of the following circumstances, the Finance Director may make and give notice of an assessment of the amount of fees owed by Operator under this Agreement:

(i) If the Operator has not filed any statement or return required under the provisions of this Agreement.

(ii) If the Operator has not paid any fees due under the provisions of this Agreement.

(iii) If the Operator has not, after demand by the Finance Director, filed a corrected statement or return, or furnished to the Finance Director adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of fees due under the provisions of this Agreement.

(iv) If the Finance Director determines that the nonpayment of any fees due under this Agreement is due to fraud, a penalty of twenty-five percent of the amount of the fee shall be added thereto in addition to penalties and interest otherwise stated in this Agreement.

(v) The notice of assessment shall separately set forth the amount of any fees known by the Finance Director to be due or estimated by the Finance Director, after consideration of all information within the Finance Director’s knowledge concerning the business and activities of the Operator, to be due under each applicable section of this Agreement, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

(vi) The notice of assessment shall be served upon the Operator pursuant to the notice provisions of this Agreement.

e. Within ten days after the date of service of an assessment of the amount of fees owed by Operator under this Agreement, the Operator may apply in writing to the Finance Director for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the fees assessed by the Finance Director shall become final and conclusive. The procedures for such a hearing shall be conducted as follows:
(i) An independent hearing officer shall conduct the hearing. The compensation of the hearing officer shall not depend on any particular outcome of the appeal. The hearing officer shall have full authority and duty to preside over the hearing on the assessment in the manner set forth herein.

(ii) Within thirty days of the receipt of any such application for hearing, the Finance Director shall cause the matter to be set for hearing before an independent hearing officer, unless a later date is agreed to by the Finance Director and the person requesting the hearing.

(iii) Notice of such hearing shall be given by the Finance Director to the Operator not later than five days prior to such hearing. The hearing officer may continue the hearing from time to time. At such hearing, the Operator may appear and offer evidence why the assessment as made by the Finance Director should not be confirmed and fixed as the fees due. In conducting the hearing, the hearing officer shall not be limited by the technical rules of evidence. Failure of the Operator to appear shall not affect the validity of the proceedings or order issued thereon.

(iv) Upon conclusion of the hearing, or no later than ten (10) days after the conclusion of the hearing, the hearing officer shall determine and/or reassess the proper fees to be charged and shall give written notice to Operator in the manner prescribed in this Agreement for giving notice of assessment, and the hearing officer shall submit its decision and the record to the City Clerk. The decision of the hearing officer shall be final and conclusive.

5. INDEMNITY.

5.1 Operator's Activities. The Operator shall defend, save and hold the City and its elected and appointed boards, commissions, officers, agents, and employees harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, personal injury or death, which may arise, directly or indirectly, from the Operator's or the Operator's agents, contractors, subcontractors, agents, or employees. Nothing herein shall be construed to mean that the Operator shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, the sole negligence or gross or willful misconduct of the City's officers, employees, agents, contractors of subcontractors.

5.2 Non-liability of City Officers and Employees. No official, agent, contractor, or employee of the City shall be personally liable to the Operator, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Operator or to its successor, or for breach of any obligation of the terms of this Agreement.

5.3 Survival of Obligations. The indemnity obligation shall be binding on successors and assigns of Operator and shall survive termination of this Agreement.
6. MISCELLANEOUS PROVISIONS.

6.1 Notices. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager, City of Perris, 101 N. D Street, Perris, CA 92570 and in the case of the Operator, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section. A Party may change its address by giving written Notice to the other Party. Thereafter, Notices shall be addressed and transmitted to the new address.

6.2 Integration; Amendment. This Agreement including any attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Operator and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

6.3 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter of this Agreement. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

6.4 Covenant Against Discrimination. Operator covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry in the performance of this Agreement. Operator shall take affirmative action to insure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry.

6.5 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement.

6.6 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.7 Covenant Not To Sue. The parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not
commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, or based on any allegation or assertion in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

6.8 Force Majeure. Neither Party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, wars, terrorism, riots or similar hostilities, strikes, and other labor difficulties beyond the Party's control, government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the Party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of the impacts on the Project of each such event.

6.9 Waiver. All waivers of performance must be in a writing signed by the Party granting the waiver. Failure by a Party to insist upon the strict performance of any provision of this Agreement shall not be a waiver of future performance of the same or any other provision of this Agreement.

6.10 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to this Agreement which affects the financial interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any state statute or regulation.

6.11 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

6.12 Governing Law and Venue. This Agreement shall be governed and interpreted in accordance with California law, with venue for any litigation concerning this Agreement in City of Perris, Riverside County, California.

6.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

6.14 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party or in favor of City shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof. The titles of sections shall not determine the intent or meaning of a section.

6.15 Corporate Authority. The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party, if not an individual, is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement such party is formally bound to the provisions of this
Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such party is bound.

6.16 Status of Operator. Operator shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Operator shall not at any time or in any manner represent that Operator or any of Operator’s officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Operator, nor any of Operator’s officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City’s employees. Operator expressly waives any claim Operator may have to any such rights.

6.17 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Operator shall file a statutory claim pursuant to Government Code sections 905 et seq. and 910 et seq., and as amended, in order to pursue a legal action under this Agreement.

6.18 Attorneys’ Fees. If either party to this Agreement is required to initiate or defend litigation against the other party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys’ fees. Attorneys’ fees shall include attorneys’ fees on any appeal, and, in addition, a party entitled to attorney’s fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to a final judgment.

6.19 Counterparts. This Agreement may be executed by the Parties in counterparts, which together shall have the same effect as if each Party had executed the same instrument.

[SIGNATURES ON FOLLOWING PAGE(S)]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:
CITY OF PERRIS a municipal corporation

ATTEST:

Michael M. Vargas, Mayor

Nancy Salazar, City Clerk

OPERATOR:
CI Distribution, a California limited liability company

By: ______________________________
Name: ____________________________
Title: _____________________________

By: ______________________________
Name: ____________________________
Title: _____________________________
Address: __________________________

Two corporate officer signatures required when Operator is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. OPERATOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO OPERATOR'S BUSINESS ENTITY.
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

**STATE OF CALIFORNIA**

**COUNTY OF LOS RIVERSIDE**

On __________, 2018 before me, ______________, personally appeared ______________, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ______________

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

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SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

On __________, 2018 before me, ____________________, personally appeared ____________________, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: __________________________

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Meeting Date: July 31, 2018

SUBJECT: Regulation of Adult-Use Marijuana Dispensaries

REQUESTED ACTION: The City Council considers and discusses the regulation of adult-use marijuana dispensaries, and provides direction to staff for possible ordinance amendments.

CONTACT: Grace Williams, Director of Planning and Economic Development

BACKGROUND:

On June 14, 2018, the City Council held a Special Meeting workshop to consider and discuss possible ordinance amendments to allow adult-use marijuana dispensaries. During the workshop, staff presented three options, as summarized below:

- Status Quo: Maintain existing prohibition on adult-use marijuana dispensaries.
- Limited Change: Allow only existing medical marijuana dispensaries to sell adult-use marijuana.
- Substantial Change: Allow new stand-alone adult-use marijuana dispensaries.

The Council considered all three options. There did not appear to be majority support for Substantial Change or Limited Change at that time. At a subsequent Special Council meeting on June 26, 2018, the City Council requested this item be brought back for further Council consideration and discussion. As a result, a business item work session will be held on July 31, 2018 regarding regulatory options for adult-use marijuana dispensaries in the City of Perris. Regulatory options include the above mentioned possibilities: (1) maintaining the present prohibition, (2) permitting existing medical marijuana dispensaries to also sell adult-use marijuana, or (3) permitting new stand-alone adult-use marijuana dispensaries. If the City permits new stand-alone adult-use marijuana dispensaries, there is the further issue of whether to provide preference to existing medical marijuana dispensaries.

At the June 14, 2018 Special Meeting, there was also discussion in regards to providing preference to applicants that are Perris residents, and possibly requiring dispensaries to hire Perris residents as employees. Staff researched this matter with the City Attorney. With respect to application preference to City residents, this could only apply if a scoring system and a cap was in place in which residency would be one factor for consideration in the review process. The City’s current system is not a scoring system and does not have a cap, but rather the City has decided to suspend accepting new applications. This would not be feasible with the City’s current process. To date, there have not been any applications that are from City residents. With respect to hiring requirements aimed for residents, there are constitutional limitations that preclude this specific requirement but the City could choose to establish goals that would encourage the hiring of residents.

A presentation on this topic with an accompanying PowerPoint will be provided at the July 31, 2018 business item. Upon hearing all the information presented, the City Council is asked to consider and discuss regulation of adult-use marijuana dispensaries and provide direction to staff for possible ordinance amendments.
BUDGET (or FISCAL) IMPACT:

Cost for staff preparation of this item has been budgeted into the 2017-2018 budget. If the City does allow adult-use marijuana dispensaries, the existing local law allows for a gross-receipts tax of up to $0.10 for each $1.00 of proceeds gained from commercial adult-use marijuana sales. (Perris Municipal Code §§ 3.40.020(a); 3.40.090.)

Prepared by:  Kenneth Phung, Planning Manager

City Attorney:  Eric Dunn
Director of Finance:  Jennifer Erwin
Assistant City Manager:  Clara Miramontes
Assistant City Manager:  Darren Madkin

Business Item:  July 31, 2018